the Freeman

Ideas on Liberty

SEPTEMBER 1977

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At the THRESHOLD of LESS

John C. Sparks

DURING the mid-1800's the people of this nation were in an energy crisis. But lacking today's means of instant communication, most people then were totally unaware of the seriousness of the impending calamity. No president made any speeches about it. No energy czar sought to fashion government programs to cope with it. Yet, there was a crisis.

Whale oil which was used primarily for the lighting of lamps, and sperm oil as a lubricant, were dwindling in supply and prices were about to blow through the roof. Sources of energy for heating were not then of grave concern, for nearly everyone lived near coal fields or forests from which fuel could be readily obtained.

Had the federal government been as officious then as now, it could have taken steps in the face of the looming disaster, to subsidize an increase in the whale population and the production of whale and sperm oil. But the government took no such action. Indeed, most people at the time held the strange notion that any shortage was their responsibility and curable only as they did something about it. That they were on the threshold of less whale and sperm oil was to them, not some kind of doom, but a challenge and an opportunity to replace the item in short supply with something better.

And replace they did, with something far better. Shortly after 1850,

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petroleum was discovered in Pennsylvania. At first it was used in small quantities for medicinal purposes. But free people, acting in a market unencumbered by government regulations, have a knack of performing miracles. Before another century could pass, petroleum and natural gas, and their conversion to electricity, had become a major source of energy. Beyond possible belief in 1850, such energy would propel millions of vehicles over thousands of miles of paved highways, along waterways, through the air and outer space, linking peoples and communities throughout the world. Homes and farms and other businesses would be heated, lighted and powered by these same sources.

Despite increasing taxation and government regulation and control, the capacity of comparatively free people to perform miracles has enabled them to outmaneuver and course around such blockages.

Today, however, government officials are taking great pains to advise and inform the people that we stand "at the threshold of less." The planet earth and its people have passed the zenith. We cannot expect our levels of living to improve in the future as they did in the past. On the contrary, they say, now we are moving rapidly downhill. The best we can do is to ration irrevocably diminishing stores of resources. We must save what we have. There will be no more. The way is no longer for the adventurous ones, who try the impossible, and make it. Instead, it is for a new breed of American—the timid soul.

What nonsense!

Have the peddlers of doom not heard of the wisdom of the past: necessity is the mother of invention . . . when the going gets tough, the tough get going . . . they said it couldn't be done, but he did it . . . those who give up liberty to gain temporary safety deserve neither liberty nor safety . . . God is with those who persevere. . . . One could go on and on with these proverbs drawn from the way of life of free men.

This is not to ridicule the wisdom of conservation or the abhorrence of waste, but it is to submit all the facts and conditions and desires and abilities of individuals into the market place and let the market work. Into it will be drawn an infinity of ideas from individual men and women, and from it will emerge tomorrow's ingenious solutions to today's unsolvable problems. The only prerequisite for such miracles is that peaceful persons be free from government interference.

Herman Kahn, William Brown, and Leon Martel, with the assistance of the staff of the Hudson Institute, have published a thorough and thought-provoking book, *The*

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Next 200 Years.[1] Its basic message is this: "Except for temporary fluctuations caused by bad luck or poor management, the world need not worry about energy shortages . . . in the future. And energy abundance is probably the world's best insurance that the entire human population (even 15-20 billion) can be well cared for, at least physically, during many centuries to come." The authors base these conclusions on the probability that per capita consumption in the world two centuries hence will be *some twenty times higher than today.* Many of the energy sources are fully renewable. They cannot be depleted.

Let the private innovators be free to innovate. Let the private inventors be free to invent. Let the private enterprisers be free to support those new ideas that will make them rich—or poor, if certain ideas turn out, as some do, to be less bright than was expected. We, all the rest of us, will ride the coattails of the successful ideas into higher levels of living than ever before dreamed, and hardly be smudged by the poor ideas that fail to survive.

We stand at a threshold—not of less—but a threshold of danger that we let this fear psychology prevail to the point where government places free people in shackles and prevents the development of mankind that otherwise has barely begun. We cannot afford to cross this threshold of *more* government interference in our lives.

[1]William Morrow and Company, Inc., New York, 1976, p. 83.

IDEAS ON LIBERTY

Open to Freedom

LET US DETERMINE that we shall not allow the state to be our master, but that we shall be the masters of the state. The long road of history is lined with the ruins of those states which bought the souls and wills of their peoples by the lure of a granted security, and then led them to ruin by the same mirage. The world does not need one more such ruin. It needs a people who will be really secure and enduring, as far as mortal life is possible—secure and enduring because each member of the society is a person who accepts his and her responsibilities as duties, and asks only that the state act to keep the avenues of freedom open.

RUSSELL J. CLINCHY

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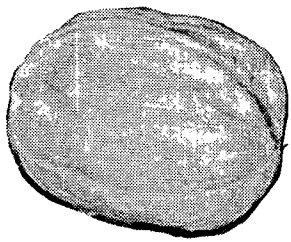
Kenneth W. Ryker

FREEDOM IN A NUTSHELL



PART ONE

Introduction

People act in response to what they believe. If their convictions are based on false ideas, their actions will be improper, against their own best interests.

Any rational person consciously acts in such a way as to leave himself better off after his action than before. This is a universal principle of human action. Yet every day millions of our citizens do act contrary to their own best interests and demand acts of their governments which have this effect. Why?

Because they are acting in response to convictions based on false ideas and myths. As a consequence their acts and those of the various levels of government cause their condition to become less satisfactory—to deteriorate.

What then must be done to correct this situation? Obviously, it is to strive to replace false ideas with truth! But what is the truth?

Truth is that which is—the self-evident and that which proceeds logically out of the self-evident.

Truth is rightness; it is correct, genuine, based on right principles. Truth corresponds to fact or reality; it is natural, and most important of all, truth is its own witness!

Some truths are known; others are still being sought as the ultimate end and purpose of knowledge.

The purpose here is to present known truths about freedom and government in the hope that these truths may help replace some false

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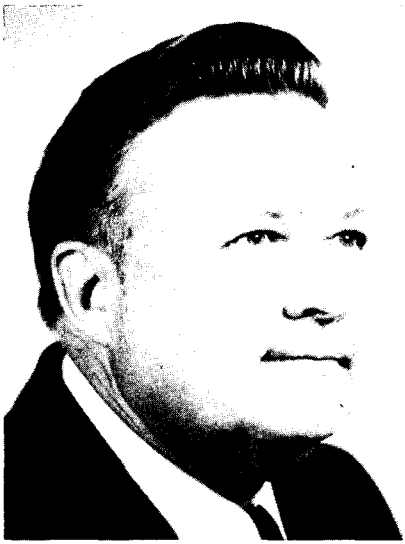

Kenneth W. Ryker is the Academic Dean of Northwood Institute of Texas, where he teaches the philosophic basis of American life and business and free market economics. The author of some two hundred articles and several booklets, he lectures widely on the philosophy of freedom and the threats to individual freedom in America today.

He is the Director of The Freedom Education Center on the campus of Northwood Institute, Cedar Hill, Texas. The Center is dedicated to promoting a better understanding of the philosophy of freedom and provides an extensive repository of revisionist historical material available to freedom-oriented researchers.

ideas and myths. A sincere effort has been made to distill the essence of the philosophy of freedom.

According to the eminent Professor Ludwig von Mises:

> The essential characteristic of Western civilization that distinguishes it from the arrested and petrified civilizations of the East was and is its concern for freedom from the state. The history of the West, from the age of the Greek city state down to the present-day resistance to socialism, is essentially the history of the fight for liberty against the encroachments of the officeholders.[1]

Freedom is of the greatest importance to us for we have found through the great American experiment that freedom provides the best means through which to achieve whatever goals we set for ourselves.

We Americans have a tendency to believe that our freedoms are protected by our Constitution and its Bill of Rights. This is dangerous thinking for it dulls our sense of vigilance. Note the following words of Judge Learned Hand:

> Liberty lies in the hearts of men and women; when it dies there, no constitution, no law, no court can save it; no constitution, no law, no court even can do much to help it.

Over a period of many years we have observed liberty slowly dying in the hearts of our people. The inevitable consequence has been the loss of countless freedoms,[2] our Con-

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stitution notwithstanding. Mr. Ed Hiles of Atlanta once wrote:

> Freedom is not free and it must not be taken for granted. It was won through sacrifice and will be maintained only through sacrifice. It can be lost—just as surely, just as completely, and just as permanently—tax by tax, subsidy by subsidy, and regulation by regulation, as it can be lost bullet by bullet, bomb by bomb, or missile by missile.

If we are to preserve the blessings of liberty to ourselves and our posterity, it is absolutely essential that there be a new birth of freedom in the hearts and minds of our people.

There is no way of knowing how this might be achieved. It might take the form of a great "Crusade for Freedom" led by a dynamic new libertarian leader, as yet unknown. Or perhaps as a result of the philosophy of freedom being presented in a new, concise, easily understood form.

1. *Freedom and Government: Eternal Dichotomy*

The supreme issue of our time is whether government is to be the master or the servant of the people. We all know this question was supposedly settled nearly 200 years ago with the American Revolution. But here we are today concerned with the issue again.

At the heart of the matter are the different natures of man and government. The nature of man is to be free, or it might be said the nature of man is *individualism*. Whereas the nature of government is to govern—to regulate—to control, or we might say the nature of government is *unity*.

And there we have the eternal conflict: individualism versus unity—freedom versus regimentation. It is vitally important to understand that the natures of man and government are diametrically opposed!

What gets us into trouble is that we lose sight of these contrary natures of man and government—and we fail to see the fundamental principles involved. When we take our eyes off basic principles we are at sea without a rudder. Not having basic criteria by which to gauge issues, we soon find the sphere of

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individual liberty being compressed smaller and smaller as the governmental "cosmos" grows larger and larger—and before long tyranny looms on the horizon!

On the other hand, when we do have a firm foundation based on fundamental principles, apparently complicated issues are simplified—solutions become crystal clear—as we analyze them in the light of our basic criteria.

2. *Individual Rights*

The indispensable foundation of a free society is the principle of individual rights. The concept of rights is the basis of individual morality and is thus the foundation of a moral society, society being nothing more than a group of individuals.

A right is defined as "a just and proper claim," but it is more than that. A right implies not only freedom of action in the total absence of coercion, but it implies freedom of action even if coercion is present. Thus, a right isn't lost, even if coercion appears.

Additionally, a right is freedom of action *morally* without asking permission. If, to remain moral, the person must first ask permission from another, then he is in a state or condition of privilege. If he may morally act without permission, then he has a right.

The concept of Natural Rights was developed by John Locke in seventeenth-century England and found its way into our eighteenth century political documents which enumerated our basic human rights. In order to document precisely what these rights are, let us examine some of the more important of these basic documents of American liberty in their order of development.

Declaration and Resolves of the First Continental Congress, October 14, 1774

. . . That the inhabitants of the English colonies in North America, by the immutable laws of nature, the principles of the English constitution, and the several charters or compacts, have the following RIGHTS:

Resolved . . . That they are entitled to life, liberty and property: and they have never ceded to any foreign power whatever, a right to dispose of either without their consent.

Virginia Declaration of Rights, June 12, 1776

. . . That all Men are by Nature equally free and independent, and have certain inherent Rights, of which, when they enter into a State of Society, they cannot by any Compact, deprive or divest their Posterity; namely, the Enjoyment of Life and Liberty, with the Means of acquiring and possessing Property, and pursuing and obtaining Happiness and Safety.

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Declaration of Independence, July 4th, 1776

. . . We hold these truths to be self-evident: that all men are created equal; that they are endowed by their Creator, with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; . . .

Massachusetts Declaration of Rights, October 25, 1780

All men are born free and equal, and have certain natural, essential, and unalienable rights; among which may be reckoned the right of enjoying and defending their lives and liberties; that of acquiring, possessing, and protecting property; in fine, that of seeking and obtaining their safety and happiness.

Bill of Rights, December 15, 1791

Article V. No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall property be taken for public use, without just compensation.

As we have just observed, our basic American documents of liberty clearly define our rights. The common thread running through the above preambles has been summarized by Justice Sutherland of the Supreme Court as follows:

The individual has three rights, equally sacred from arbitrary interference [from government]: the right to life, the right to his liberty, the right to his property. These three rights are so bound together as to be essentially one right. To give a man his life, but to deny him his liberty, is to take from him all that makes life worth living. To give him his liberty, but to take from him the property which is the fruit and badge of his liberty, is to still leave him a slave.[3]

Whether one attributes the source of these rights to the Creator or to Nature, the fact remains that man naturally, clearly, and demonstrably possesses the rights to life, liberty, and property—and these are his *only* rights!

Declarations, Constitutions, and Bills of Rights do not guarantee rights; they are merely codifications of ideals and principles. If the ideals are not truly believed and practiced by the people, the documents become mere scraps of paper. It is the practice of the principles that is the key to freedom!

3. *Government*

It has been shown that the American position holds that each individual is born free with inherent rights to his life, the enjoyment of liberty, and the ownership and control of his property. To enjoy these rights man seeks a way of life in which he feels secure. He strives to establish a society of stability and order.

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Obviously, each person has the right to defend his life, liberty and property. A right is meaningless if it cannot be defended. It follows logically that he may delegate this protective and defensive function to an agency which we call government. As government thus derives its powers from those delegated by the individuals who create it, government cannot then possess any fundamental powers or authority not inherent in the individual.

Frederic Bastiat, brilliant French political economist of a century ago, beautifully expressed the relationship between man's rights and government:

> Life, liberty, and property do not exist because men have made laws. On the contrary, it was the fact that life, liberty, and property existed beforehand that caused men to make laws in the first place.[4]

The sole purpose of government is to protect life, liberty, and property—to serve as a common defensive force for those from whom it receives its delegated authority. In short, the only legal and moral purpose of government is to prevent injustice.

It is important to keep in mind that, reduced to fundamentals, government is purely and simply organized force. After being brutalized by it for centuries, man finally came to realize that this organized force of government would have to be limited and controlled if he were ever to be really free.

This radical idea finally found expression in the American Revolution and the ensuing Constitution and the Bill of Rights, limiting the power of government being the major purpose of both these documents.

Defensive Force

Because government is force, and force is inimical to man's nature and best interests, to what must this use of force be limited?

To defensive, never aggressive force. To protection and defense of life, liberty and property against fraud, theft, murder—against depredation in general. In all other things the collective force of government must be constrained. Government must not interfere in the peaceful and creative pursuits of man so long as he does not threaten the life, liberty or property of another. The philosophy of freedom embodies the absence of coercion.

We know that each individual has the right to protect his own life. It is obvious that government police, as his agents, exercise this delegated function legitimately.

On the other hand, no individual has the right to use force or coercion to cause another to associate with him, or sell to him or provide a service for him. Thus it becomes clear the collective force of govern-

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ment has no legitimate authority in the so-called public accommodations areas. The misnamed "civil rights" laws are a perversion of justice and a clear example of illegitimate government action.

To pursue this point further, the terms "civil" and "rights" are contradictory. Rights are natural or inherent in each individual and are antecedent to government. We have previously demonstrated the only rights that any individual possesses are those to life, liberty and property.

"Civil" implies that government is the source of rights. Government is never the source of rights, but is often the inhibitor of rights. Government can, however, be the source of privileges, and this is what "civil rights" really are: special *privileges* made possible for some through government infringement on the *rights* of others.

How Government Grows

What causes government to engage in activities not properly its function? Because through force, or the threat of force, people can be made to act in a way they would not act voluntarily, or they can be made to pay for something they would otherwise not willingly subsidize.

In any society there are always those who want to impose their will on others. If such people are able to seize political power, they can use government, the agency of coercion, to achieve their goals.

This perversion is made possible when people lose sight of the proper function and scope of government. The only alternative to totalitarianism as an end result is an informed citizenry, intent on limiting government to its proper role: the protection of life, liberty and property.

In addition, there are those who believe that if government does not take the initiative in a particular sector, no action will be taken. This may be true in some instances and false in others.

If willing individuals, exercising their own free choice, do not wish to undertake or support a particular activity, it probably should not be attempted. The absence of demand indicates the inadvisability of the project. When government must be used to initiate the endeavor, it means people would not do so of their own free choice, and are therefore, forced to act against their wishes.

On the other hand, the thousands of voluntary organizations and associations, charities, hospitals, and millions of individual enterprises in the market place, with the resultant high standard of living thus enjoyed, is proof that government force is not a positive factor in man's progress. Rather, it is most definitely a negative factor, inhibiting progress in

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every instance where it interferes with the creative efforts of man.

Consider those countries of the world where government exercises the greatest degree of control over the lives of its people; there you will find stagnation, poverty and discontent.

Then examine the countries where government intervenes least in the creative affairs of its people, and there you will find the highest degree of progress, prosperity and contentment.

Because we live in a republic which uses the democratic process to choose elected representatives and enact laws, there is a tendency to believe something is right for government to do simply because "we voted for it."

Right or Wrong?

The fact that a majority of a voting group chose a particular course of action has no relationship to its rightness or wrongness. An action is right or wrong on principle. No moral absolution takes place in a majority vote for an immoral act.

This matter is so important it should be restated: A majority vote never determines whether an act is right or wrong—only whether it is legal or illegal. Any act that is illegitimate for an individual is illegitimate for government!

Over a hundred years ago when France was moving toward socialism as America is today, the French political economist, Frederic Bastiat, wrote an essay on "The State" in which he clearly outlined the process now in vogue for some to live at the expense of others:

> The oppressor no longer acts directly by his own force on the oppressed. No, our conscience has become too fastidious for that. There are still, to be sure, the oppressor and his victim, but between them is placed an intermediary, the state, that is the law itself. What is better fitted to silence our scruples and—what is perhaps considered even more important—to overcome all resistance? Hence, all of us, with whatever claim, under one pretext or another, address the state. We say to it: "I do not find that there is a satisfactory proportion between my enjoyments and my labor. I should like very much to take a little from the property of others to establish the desired equilibrium. But that is dangerous. Could you not make it a little easier? Could you not find me a good job in the civil service or hinder the industry of my competitors or, still better, give me an interest-free loan of the capital you have taken from its rightful owners or educate my children at the public expense or grant me incentive subsidies or assure my well-being when I shall be fifty years old? By this means I shall reach my goal in all good conscience, for the law itself will have acted for me, and I shall have all the advantages of plunder without enduring either the risks or the odium."
>
> As, on the other hand, it is certain that we all address some such request to the

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state, and, on the other hand, it is a well-established fact that the state cannot procure satisfaction for some without adding to the labor of others, while awaiting another definition of the state, I believe myself entitled to give my own here. . . . Here it is: *The state is the great fictitious entity by which everyone seeks to live at the expense of everyone else.*[5]

Justice or Injustice?

Once government is permitted to stray from its proper purpose everyone will want to prosper at the expense of others, and thus does government become an instrument of *injustice,* rather than of *justice.*

In any society the lives, liberties and property of all citizens are affected by their government. If the government acts in any way except to protect these rights, it automatically becomes a violator of these rights. Such a government is obviously unjust.

There is a very simple way to test whether government has become an instrument of injustice. If government taxes away the fruits of labor of some and gives it to others to whom it does not belong, that government has become an instrument of injustice.

If government policies benefit one group of the citizenry at the expense of others, that government is perverted.

The tragedy of such perversion is that such practices mushroom. The special interest groups multiply rapidly, each demanding their "share" of the plunder. The inevitable consequences are greatly increased taxation, in the direction of total confiscation of property by the state, and inflation, the "cruelest tax of all."

When a government becomes an instrument of injustice, its people are in very real danger of ultimately losing all their liberties, as all actions of government are considered just and right simply because they are acts of the government.

Those who raise their voices in warning are labeled "reactionaries," "subversives," or at the very least, "extremists." Those who thus attempt to defend their lives, liberties and property from plunder by the state, become enemies of the state—criminals.

When government is observed infringing upon the liberties and property of some for the benefit of one special group, other special interest groups will soon organize political organizations and lobbies seeking special plunder for their group.

As a consequence today we observe the seats of government at all levels overrun by these special interest groups seeking ordinances and legislation to enable them to participate in the plunder.

Man's rights are endangered from only two sources: criminals and government!

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In the early paragraphs of the Declaration of Independence we read:

> . . . to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed . . .

"To secure these rights" means it is the purpose of government to protect man's rights to life, liberty and property from those who would threaten them: criminals.

We hear a great deal these days about certain "rights." There are claims that we have a *right* to medical care; a *right* to full employment; a *right* to decent housing; a *right* to public accommodations; a *right* to a "living wage," and on and on *ad infinitum, ad nauseum.*

Such claims are not *rights;* they would impose obligations on others for each implies others will be forced to provide the medical care, the jobs, the housing, and so on. The only way this can be achieved is by confiscation of the property of others to pay for such *privileges.*

Coercion is destructive by its very nature, consequently nothing progressive can possibly come from its use to achieve ends. Government's only means for the achievement of ends is through coercion; government is force; government is coercion!

In providing privileges for some at the expense of others government, which is instituted to protect our liberties and property, becomes the violator of these rights.

Freedom exists only in an absence of coercion. Freedom implies free choice, voluntarism, willingness. Freedom can exist only in a just society. But justice exists only in the absence of injustice!

Freedom can exist only where government is restricted to its only true purpose—defense of life, liberty and property—acting to prevent injustice and thus preserving justice.

Like justice, freedom is a negative condition. It is a state which exists in the absence of coercion or molestation, when no individual coerces or molests another.

When any person uses coercion or the threat of coercion to impose his will or point of view on another person, freedom is abolished!

4. *The Economy*

The fundamental economic question to be answered in any society is "Who is to get how much of what?" The competing answers to that question are embodied in the ideological struggles in which we find ourselves engaged today.

There really are only three ways to answer this fundamental question. Dr. F. A. Harper analyzed

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these in his book, *Liberty: A Path To Its Recovery,* as follows:

1. Each person may have whatever he can grab.
2. Some person other than the one who produces the goods and services may decide who shall have the right of possession or use.
3. Each person may be allowed to have whatever he produces.

These three methods cover all the possibilities; there are no others.[6]

The first is readily recognized as the law of the jungle; the second is that utilized by all authoritarian systems, while the third is the only method consistent with individual freedom.

"Who is to have how much of what?" That is the question. Communism has an answer, as does National Socialism and Fascism. The Fabians and Democratic Socialists think they have the answer. But when all these systems are analyzed, they come out the same, differing only in degree: The State will determine who is to get how much of what! This obviously means the economic questions will be answered by force and coercion.

But there is a better way: let the free market, willing exchange, profit and loss system determine what will be produced and in what quantity; who will produce it for what compensation; and who will receive it at what price.

There are really only two choices: to answer the economic questions by free choice—or by coercion!

5. *Capitalism*

The system of economic organization under which our nation developed and flourished is *capitalism,* although it is known by many other names such as free enterprise, individual enterprise, the market system, etc.

It developed gradually during the Industrial Revolution and reached its peak during the "Century of Progress"—1830-1930. Since the turn of the century it has been under constant attack by those who would change the system, for whatever reason, from one of private control to one of political control, so that today it bears slight resemblance to the system under which the material welfare of our people expanded eight-fold.[7]

The fantastic standard of living enjoyed by our people has been the direct result of this market system, in spite of tremendous handicaps imposed upon it by stifling government intervention.

All the major economic problems we have experienced can be traced directly to government intervention in the market, including depres-

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sions, unemployment, surpluses, shortages, high prices, and many more. The way government causes such problems will be touched on later.

Yet in spite of the interventions of government in the economic affairs of our people, capitalism is the most just, the most equitable, the most productive, the most moral—and the only economic system compatible with individual liberty.

Congressman Philip M. Crane of Illinois has stated, "Capitalism is, in its simplest imperative, freedom applied to economics."

That simple sentence states quite clearly why capitalism is the best economic system and why we must return to it!

—FOOTNOTES—

[1]Ludwig von Mises, *The Ultimate Foundation of Economic Science* (Princeton: Van Nostrand, 1962), p. 98.

[2]Leonard E. Read, et al, *Cliches of Socialism* (Irvington-on-Hudson: Foundation for Economic Education, 1970), pp. 92-96.

[3]Quoted in Dean Russell, "Basis of Liberty," *Rockford* (Illinois) *Morning Star,* January 7, 1962.

[4]Frederic Bastiat, *The Law* (Irvington-on-Hudson: Foundation for Economic Education, 1961), p. 6.

[5]Frederic Bastiat, *Selected Essays on Political Economy* (Princeton: D. Van Nostrand Company, 1964), p. 143.

[6]F. A. Harper, *Liberty: A Path To Its Recovery* (Irvington-on-Hudson: Foundation for Economic Education, 1949), p. 28.

[7]Dean Russell, "Economic Growth," *The Freeman,* (April 1963), p. 28.

Editor's Note—This article will be concluded next month with a discussion of the three major components of the individual enterprise system: private property, the free market, and the profit motive.

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Morris C. Shumiatcher

WHETHER we like it or not, every society must have a nucleus—an establishment, if you will. Without it, wrote William Butler Yeats:

> "Things fall apart; the centre cannot hold;
> Mere anarchy is loosed upon the world."

But the world does not disintegrate of its own accord. It is the individual who first breaks down and, losing faith in himself, falls apart. I sense that the personal dissatisfactions and the vagrant, disruptive forces that agitate and generate strong currents of dissident opinion and aberrant conduct in our country today flow from the loss of confidence of men and women of intelligence, learning and experience, in their own judgment and in their own ability to lead.

No nation can long survive without a genuine establishment that is nourished by the innovative, the inventive and the energetic, and that is tempered by the sensitive, the conscientious and the compassionate. No individual will find the polestar by which to guide his steps except in the standards of excellence that men and women of high purpose and good will adopt, and according to which they perform their public duties and live their private lives.

If you choose to march to the beat of your own drummer and to no other, you must be sure you are a skilled and gifted percussionist. If

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you lack the gift of rhythm it is better to listen to the music of a virtuoso.

I'm reminded of the true establishment conceived by the ancient Hebrews. It is said (and still believed by many) that the destiny of the whole world rests upon the shoulders of thirty-six just men whom God chooses in each generation to assure that right and justice prevail on earth. They are the *Lamed-Vav Tzadikim*—the thirty-six saints—the men who serve as the conscience of all mankind. They are the touchstone of reason and human understanding.

Upon their influence and good works depends the future of the world. These are the nameless ones. No one knows who they are. The identity of the thirty-six is concealed from the world. So modestly do they live their lives, it is concealed even from the thirty-six just men themselves.

When the world has great need for their counsel and their heroism, they appear and act out their appointed role of rescuing mankind from disaster. And after their work is done, they vanish from the scene as mysteriously as they came, their identity still unrevealed.

Who are the thirty-six just men? No one really knows. You may be one of them. Or I. We shall never know.

But if you believe that you may be a *Lamed-Vav,* that belief of itself will move you, each day, to act more justly, in your own world, in your own way and in your own place. The light of the just will be reflected in the multi-faceted actions of your day. If you are able to achieve that small miracle, then you will be taking upon your shoulders the responsibility to shape the destiny of the world in the image of the just. The world and all who inhabit it will then, one day in turn, reflect the image of perfect truth and absolute justice. That is the hallmark of man's authentic establishment—the pedigree of a nation's true elite.

How may we recognize the credentials of the members of that small, select band?

The thirty-six are the men whose curiosity impels them to acquire knowledge, whose compassion brings to them the gift of understanding, whose conscience moves them to accept the burdens of injustice and whose strength enables them to resist and take up arms against it.

They are the exceptional people of the age. They are the members of the establishment who prevent things from falling apart, who hold the centre fast, who assure that order and not anarchy rule the world.

Who, then, would not be one of the just?

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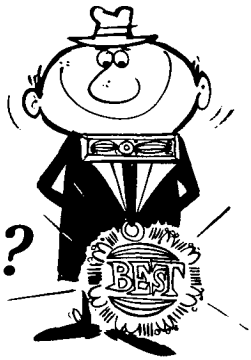
Competition: *Bane or Blessing?*



Ruth Dazey

A RECENT SHOWING of a World War II movie dramatized an episode in which Admiral Bull Halsey (James Cagney) said that there were three things he felt sure about: it's better to tell the truth than to lie; it's better to know than to be ignorant; and it's better to be free than to be enslaved.

Today, it's common knowledge that tall tales are told by men in high office. The rest of us are beginning to suspect that although we may have been ignorant, we're not stupid. Every person will agree that freedom for him is better than slavery, yet every-day freedom for every man escapes us as nearly every segment of leadership in the country continues to genuflect and practice rites of sacrifice at the altar of the state. Many seek solace and enlightenment in traditional or exotic religious pursuits, but the means by which the "kingdom of God" shall manifest on earth are still obscured in the mists of economic ignorance. Perhaps it is axiomatic that a free society can never flourish, let alone exist, so long as some men, however well-intentioned, impose their idea of the good upon others.

What are the prospects for change? Dr. Robert P. Merkle, executive director of Christian Counseling Service, tells us, "We alter our lives by discovering the principles underlying our experiences. Through such understanding, we are free to change how we look at things and how we act." "The man

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who knows what freedom means will find a way to be free," assures Robert LeFevre.

Freedom-oriented discoveries in both praxeology and psychology appear to move in undeviating parallel lines, with little cross-communication despite similar phenomena which can be correlated. One ground in common is a basic respect for the human attribute of choice and the resulting preference for non-interference in the individual's exercise of his choices. What, then, seems to prevent an increase in mutual awareness and communication?

One instance in which most psychology appears sharply at odds with the developing freedom philosophy is the issue of competition in a free society.

A Fact of Nature

Is competition a natural phenomenon observable in the conduct of choice-making individuals responding to their own value judgments, or is it artificially induced from a mistaken view of the nature of man? In his seminars on the philosophy of freedom, Robert LeFevre says he's been told that we've all got to work together, to strive for the *brotherhood of man*. His reply: "Brotherhood? You may be for it or against it, but whether you like it or not, on planet earth it's a fact of life!" Is competition a matter of fact that awaits intelligent recognition, or is it a way of behaving that should be encouraged or abandoned?

Thomas Hora, M.D., director of the New York Institute of Metapsychiatry, in his book, *In Quest of Wholeness,* says, "In a society where competitiveness is over-emphasized . . . the mental climate tends to become cruel and nihilating. In such a culture, interhuman communion is made difficult and love impossible. Jealousies, power struggles, greed and mutual competitive negations alienate people from each other and lead to progressive disintegration of social life and corresponding increases in mental illness."

The comment in itself does not invalidate competition, for Dr. Hora uses the term *over-emphasized.* However, in today's climate of opinion, it is likely that in this statement readers will find confirmation of the view that competition *per se* is "bad" and should be eliminated.

What Is Competition?

Let's examine the meaning of the phenomenon of competition, its fruits, and the presently known alternatives. If we are able to discern a useful function for competition in a wholesome climate, then we can differentiate between its reality and the distortions clouding it by virtuous men who do not as yet under-

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stand it and by business leaders who are vying for preferential treatment from government.

What is competition? Competition appears to be a means whereby men strive to satisfy human wants. Proponents believe it has the effect of satisfying men's wants efficiently, with a maximum opportunity for choice. Opponents view it as detrimental to harmonious life, respecting both the competitor and the social climate in which it appears.

One dictionary defines the concept: *Compete:* to contend emulously; to contend in rivalry, as for a prize or in business.

Emulous: ambitious to equal another; also characterized by, or due to, emulation. Obsol., jealously rivaling.

Emulation: ambition or endeavor to equal or excel; rivalry.

Emulate: to strive to equal or excel; to rival.

Competition: (1) act of competing; emulous contest; rivalry. (2) Contest between rivals; a match. (3) The effect of two or more parties, acting independently, to secure the custom of a third party by offering most favorable terms.

Another dictionary: *Compete:* to strive or contend with another or others, as for a profit or a prize; vie.

Emulate: conscious imitation of excellence.

Rival: attempt to reach the same level of proficiency or recognition as another; to equal or surpass.

Competition: (1) a striving or vying with another or others for profit, prize, position, or the necessities of life; rivalry. (2) A contest, match, or other trial of skill or ability. (3) The rivalry between two or more. businesses striving for the same customer or market.

The Drive to Excel

How does competition operate in the life of an individual? In existential psychology it is claimed that the person who evaluates himself on the basis of how his personality, performance, or possessions measure up to what others appear to be, do, or have, is functioning with an unstable, stress-producing outlook. Constant comparing, measuring, categorizing: opinions as to good/bad, better/worse, richer/poorer, can produce malfunction. Yet, is a discontent with what is, always dysfunctional? Is there a place for emulation, for a more beautiful expression?

A violinist keeps practicing. If he has not heard a Heifetz, possibly he will not seek to emulate (equal or surpass). Perhaps there are different elements linked together in the word *emulate:* (1) to confirm one's self-worth, to prove one's value as "superior to" or "inferior to" another, and (2) to excel, to express greater virtuosity, to let one's light shine more brightly. In metaphysical terms, is not the conscious imitation of excellence a way of practicing

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the presence, of leading us from the unreal to the real?

So it would seem that there is a beneficial factor to the concept *emulate*. What about to *contend emulously?*

For those who seek a non-dualistic perspective, it is laughable to consider any requirement for, or reality to, a state of contention of one person with another. Two rivers flow into the Atlantic. Is the ocean concerned with the names, width, rates of flow, of the two channels from which water merges with it? And it may be just as incomprehensible, from such a perspective, that a person would want to contend—or could benefit by contending—with himself to better past performance.

Yet it is observable in the lives of men of some accomplishment that a quality of well-being suffuses the consciousness of the individual who "betters his own score." Possibly he is functioning at a level where what he does looms high on his scale of values, but it is also observable that there are fruits in the course of his life which have markedly benefited the outlook and life experiences of others.

Perhaps a key here might be the quality of consciousness existing during each task fulfillment. If joy is experienced within the process and culmination, the experience can be considered wholesome; if self-criticism, anxiety, and despair, or pride in lording it over another, mark the process and the "final judgment," these reactions speak for themselves.

Is this to say, then, that discontent with one's own performance is a healthy phenomenon? Once again, it would seem to depend on the outlook of the performer. To be satisfied in the smug sense, to be confirmed as to one's worth, may be comfortable but it isn't necessarily wholesome. To be free to survey one's handiwork and find pleasure in it and yet to be aware of the boundless possibilities ever available although not always achievable, could perhaps be described as a "divine" discontent, as evidence of a healthy perspective.

The Blessings of Trade

How does competition operate in human exchanges? Let's look at the areas of "power struggles, greed, and mutual competitive negations" mentioned by Dr. Hora as they "lead to progressive disintegration of social life. . . ."

All men seek those goods which serve to satisfy human desires. Human desires range from items necessary for survival (food, clothing, shelter) to items which satisfy esthetic values (musical instruments, cameras, flowers, theater tickets, sunbathing, companionship, privacy, and the like). No two human beings can value anything exactly alike; an individual's value

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system is as uniquely his as his ability to swallow, digest, or breathe.

There are three known ways a man can satisfy these desires: (1) he can produce and consume the goods sought by applying his own human energy to natural resources; (2) he can steal the goods which others own or have produced; (3) he can trade—giving something for something.

The impracticality and immorality of existing by means of stealth and theft are taken for granted by "civilized men," but it is interesting to note that only a few have thus far discovered the phenomenology of stealing so prevalent yet so effectively camouflaged in our culture. (It was a nineteenth-century Frenchman, Frederic Bastiat, who appropriately labeled taxation as "legal plunder.")

The first way also has readily discernible drawbacks. No man, as we know him today, is totally self-sufficient; just his own production is insufficient for long-term survival. Also, it is observable that men produce surpluses. Even though a man does not have everything he needs for survival, acting independently of all other men he may catch more fish than he knows what to do with while at the same time he is freezing to death because of lack of clothing or shelter. He can give away his surplus production, but how does he determine to whom and how much? How will he and the recipients fare at the hands of the have-nots? He does have recourse to the third alternative; he can use the surplus as a means of acquiring things he is not able to produce, and every other man has this same option and thus most will respect his participation in the third alternative inasmuch as they also want the same benefits for themselves.

No two human beings can value anything exactly alike; an individual's value system is as uniquely his as his ability to swallow, digest, or breathe.

For any trade to occur, not only are objects exchanged but there is an accompanying process. The subjective view of each participant determines whether the exchange will occur, and on what basis. If he wants to keep what he has (what he has produced, or acquired), then no trade occurs. If he wants what another has produced, or acquired, then he must be willing to offer some of what he has. How will he know how much to offer?

The market is the means by which men satisfy varying values which are dependent upon some association or contact with others. The market is any place at any point in

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time where one or more producers and seekers get together. Where there are no scarcities, no market exists. Men value items which are in scarce supply. Five minutes after a full meal, a man will smilingly refuse to buy a $5.00 dinner even if offered at a bargain price of $1.50. A wealthy man marooned on an island might be eager to pay $1,000 for a hamburger.

Trying to Serve Best

Competition is a means whereby producers vie to satisfy the wants of customers. *Whatever their motivation,* to be successful they must satisfy the wants of their customers or the latter will not buy. "Assuming a free market in which customers can express their preferences, the businessman can hope for success only by superior performance which pleases customers. If he fails to please them, they will patronize his competitor. Hence, he must always be engaged in seeking to improve his product and to lower its price at the same time he makes his service better. Only by doing these things can he win customers, who are always free to forsake him." (Robert LeFevre, *This Bread Is Mine,* pp. 270-271.)

The customer may use poor judgment, his values may need reexamination, but in a free market he is free to decide.

The competitive process also appears to be beneficial because the presentation of bids for items in scarce supply (goods valued by some or many men) enables bidders and suppliers to find out what useful price can be determined upon, a discovery that facilitates the harmonious exchange of desired items.

> "Assuming a free market in which customers can express their preferences, the businesman can hope for success only by superior performance which pleases customers. If he fails to please them, they will patronize his competitor."
>
> *Robert LeFevre*

If we do not appreciate (understand) this process, if we focus our attention solely on the manifest gain of the big producer (ignoring what is on the plate of the satisfied buyer), then we suppose erroneously that the man who makes a lot of dollars from production is profiting "unfairly." But in any uncoerced trade, both parties to the exchange benefit. By benefit is meant the satisfying of values of both buyer and seller at the particular moment of sale. No third party can correctly evaluate the terms of the sale; the mutually agreed upon price is evidence that the subjective values of both buyer and seller have been

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satisfied. Thus, a fair price is whatever satisfies buyer and seller at the moment the sale is consummated by the exchange of something for something, if no force is interjected. The amount of "something" is not the consideration; a seller may consider a smile to be sufficient payment.

The Market Price

In a wholesome community, would the seller offer his goods for as little as possible, so as to benefit the buyer? Would this be the "Christian thing to do"? . . . the doing unto others . . .? Might it indicate doubt as to the buyer's ability to attract generous prices for *his* output? Does the seller also have other values he seeks to satisfy? Does he wish to give his children music lessons; would he like to have additional children and make it possible for them to have some of the goods and experiences that will enrich life for them? Is it not natural for him to want as much as he can get, provided he does not use force?

Is not payment for goods or services a natural avenue for the "greater abundance" that a man may anticipate coming into his life as a result of paying attention to the highest values he knows? Will he not be able to accumulate funds—to save and invest? By investment—in his own enterprise, or by savings which in the economic mainsteam are made available to others—will not these capital accumulations provide jobs and a more plentiful supply of goods desired by others? So, what is the criterion for a wholesome man setting the price of his goods? Competition serves the purpose of revealing what price he can honestly get for his production, regardless of production costs.

It is at this point that opponents of competition say, "It's all very well to talk about competition as being a beneficial process, but you know perfectly well that the big operators will conspire to set prices and will drive the little fellow out of business." But in this they are confusing attempts to contaminate competition with competition itself.

Studies indicate that despite prevalent illusions, harmful competition occurs only in those instances where force (legal or illegal) is introduced to weight the scale on one or the other side of the agreement to buy and to sell. Presumed to be men's defense against "unfair competition," in reality government is the club wielded to protect industrial giants from the beneficial interplay of competition.

News media report from time to time that one or another major corporation is under fire from the government; but a look behind the scenes reveals that whereas one of the favorites may be out of favor, political patronage and special privilege still flow to the corporate

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and union dynasties which pay homage to the particular party or politician in power. Laws, actively promoted and supported, continue to provide immunity from the natural give and take of a freedom-oriented market place, so that an economic way of life nominally "free enterprise" is but a hollow mockery of laissez-faire, where "the buyer is king."

In a free market, even though greed *may* cause men to seek "outrageously high" prices, the function of competition offsets the greed, for the "too greedy" man will eventually price himself out of the market.

If the big producers join forces to undercut the little producer and he fails, and then they jack up the price, new competition is ready to enter the market place—not only direct competition for the product, but indirect competition for the buyer's available dollars. Any evidence in the free market that some men are making rich profits always draws attention to the possibility of goods being supplied more cheaply yet profitably. Thus, new producers emerge and attract buyers from the giant operators.

Again, the problem occurs when greedy men, not content with the functioning of natural competition—the vying of sellers to attract buyers to their products—seek to secure special privilege for themselves by turning to the monopoly of force in the community (government) and getting special contracts, tariffs, trade restrictions, or other impingements on the natural functions of men as they bargain freely to exchange, to their mutual satisfaction, their energy, goods, or capital accumulations.

> . . . what is the criterion for a wholesome man setting the price of his goods? Competition serves the purpose of revealing what price he can honestly get for his production, regardless of production costs.

The Use of Force

But we have not yet accustomed ourselves to see and understand the features of all political decisions: uses of force, sanctified by custom and ignorance, ends justifying the means. (For those who of their own volition support a particular political program, their wills are not violated; but freedom means more than being out from under the control of another; it also means refusing to coerce others, regardless of the worth we attach to the effect sought.) Being fearful of the greed in others, we support a process whereby the greed for dollars or for power is enshrined, immune from the disciplines inherent when choices are unimpaired.

It is evident that today men are

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fearful of freedom; we fear what we do not understand. Perhaps it is time to rediscover what earlier economists observed in studying the effects of laissez-faire. "Is it, then, surprising that the early economists, all religious men, marveled at their epochal discovery of the harmony pervading the free market and tended to ascribe this beneficence to a 'hidden hand' or divine harmony? It is easier for us to scoff at their enthusiasm than to realize that it does not detract from the validity of their analysis. Conventional writers charge, for example, that the French 'optimistic' school of the nineteenth century were engaging in a naive *harmonielehre*—a mystical idea of a divinely ordained harmony. But this charge ignores the fact that the French optimists were building on the very sound 'welfare-economic' insight that voluntary exchanges on the free market conduce harmoniously to the benefit of all." (Murray N. Rothbard, *Man, Economy, and State,* pp. 922-3.)

Supporting the beneficial aspect of a competitive free market are these comments of twentieth-century economist W. A. Paton: "The view that the free market is a chaotic and noncooperative activity may also be mentioned. Actually, the truly free and keenly competitive market is a model of sensitive adaptation, automatically, to the ebb and flow of the attitudes, needs, and varying circumstances of the participants. It is anything but chaotic. And its intricate maze of relationships between producers and customers presents the most remarkable example of cooperation, without coercive direction or control, to be found in human affairs." (*The Freeman,* June, 1973.)

"... the truly free and keenly competitive market is a model of sensitive adaptation, automatically, to the ebb and flow of the attitudes, needs, and varying circumstances of the participants. It is anything but chaotic."

W. A. Paton

Since it appears that competition is a natural phenomenon observable in the actions of choice-making individuals, what mistaken concepts have impeded more widespread discovery of this fact of life?

A Static World?

One false view might be that the resources upon which men draw for their sustenance are limited; that there is a fixed amount of wealth in the world and that men who have an abundance of good things must, therefore, own them at the expense or loss of others.

An accompanying false view is

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that participants in human exchange processes are either exploiters or the exploited; that since competition is baneful, those who participate "successfully" either as owners or as employees in the economic mainstream are engaged in unworthy procedures. Thus self-loathing develops and finds continual confirmation from pulpit, media, the business community, schools, and the family circle. If a man is made to believe that if he breathes deeply he is taking air away from others, every time he moves swiftly and thus respondingly breathes in more air, he will experience self-contempt and frustration. As he responds creatively to life, he will be judged, by self and others, as crass, materialistic, ignoble.

What viable alternative to competition is there as a means of enabling buyers and sellers to exchange values freely on terms mutually agreeable at the moment of sale?

An Absurdity

If all men's values were exactly alike, and could be predicted as to time and amount, then it is conceivable that what is needed is an "equitable division" of all the existing worldly goods from moment to moment. But the absurdity of such a proposal is readily apparent. To "share and share alike" would require the designation of certain men as having the rightful power to determine what other men shall do or have, or shall be prevented from doing or having: a commitment to the pathological view that only certain men are wise enough to plan and to direct the activities of all. By letting each man be free to develop his talents and to exchange the products of his labor, we commit ourselves to a climate of loving concern that never seeks to coerce and that recognizes the right of each man to be responsible for his own choices and actions; to be individually response-able to life.

IDEAS ON LIBERTY

Leave the Markets Alone

CAPITALISM is a viable economic system or it is not. An active policy of government intervention in a free market business system is a contradiction in terms. Trades of private property are either voluntary or they are not; one cannot legislate the free market or create competition. To have a free market the government must leave the markets alone; to have the state *make* markets "free" is again a contradiction in terms.

D.T. ARMENTANO, *The Myths of Antitrust*

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Phantom Profits and the Dissipation of Capital

Robert McBurney

How many daily decisions, involving how much money, are based on the information produced by accounting procedures and summarized on balance sheets and income statements? It is impossible to even guess at such a number. We do know that millions of private investors, as well as businessmen, institutions, financial analysts, editors, attorneys, legislators, bureaucrats and others use this information for a multitude of purposes. The news media grind out a constant barrage of propaganda about private business, using published financial statements as a primary source of data. Legislatures construct laws, particularly tax laws, guided by the same data.

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The purpose of this paper is to examine the effects of inflation on a single accounting practice that largely invalidates the net income reported on financial statements of most companies. In other words, countless decisions are made every day, including the horrendous business of structuring confiscatory tax law, on the basis of misleading numbers. This victim of inflation is the accounting principle of calculating depreciation based on historical (original) cost.

This theory, in brief, is that an expenditure for any asset (primarily buildings and equipment) whose life extends beyond one year requires special treatment. That is, it is necessary to allocate the original cost of that asset over its estimated useful life so that each year's operations receive a proportionate charge

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or expense for the use of the asset. This procedure creates a charge that is analogous to rent paid for the use of similar assets.

Monetary Stability

The concept of depreciation is clearly rational and cannot be seriously criticized in its theoretical framework—which also, and most importantly, assumes a *stable monetary unit.* The validity of accounting results, insofar as depreciation is concerned, thus depends on a monetary environment relatively free of significant inflation or deflation. But we have, in fact, witnessed persistent inflation for decades. How does this monetary instability affect accounting conclusions? It is obvious that the magnitude of the investment in depreciable assets and their estimated length of useful service are critical factors. In most of our industry today, such investment in long-lived assets is tremendous. Thus, the related depreciation accounting is economically fallacious.

Let's consider a very simple example. Suppose that in 1960 a company invested $10 million in a building whose life was estimated at 40 years for accounting purposes. This meant an annual depreciation of $250,000. Assume the replacement cost of the building today is estimated at $20 million, which is "inflation" of only slightly over 4% annually. What should the depreciation be at today's cost? If the company had been renting the building, the rent charge would be much higher today than in 1960, yet the depreciation remains at the same 1960 level and will continue at that amount until the year 2000. The problem, of course, like so many of our difficulties, is caused by inflation.

For illustration of this adverse impact of inflation, let us assume that the $250,000 depreciation allowance is equal to 5 per cent of the total yearly income of the company and that net earnings before income taxes are $1 million. If income taxes take $500,000, this leaves $500,000 for stockholders either as dividends or for reinvestment in the business. However, if the depreciation is based on replacement cost and is thus doubled to $500,000 a year, only $750,000 will be left for taxes, dividends and reinvestment.

A Cost to be Paid

It seems reasonably clear that the full depreciation on replacement cost is an expense that someone will have to stand. Will it be covered by a reduction in the taxes of the company? Or will it continue to be borne entirely by stockholders? Upon the answer depends the life of that company and the lives of the savers behind it. But it is certain that the inadequate allowance for depreciation now appearing on the books

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results in higher taxes and the dissipation of capital.

Although this example is pointedly oversimplified, it nevertheless illustrates the essence of the problem. United States industry is not now able to replace its capital assets under present depreciation accounting and increasing price levels. Thus, many financial statements grossly overstate profits. Of course, the accounting profession has long been aware of this and continually proposes adjustments. Congress has thus far refused to allow the necessary corrections in accounting techniques for tax purposes. To do so would obviously reduce corporate profits and corporate taxes. This adjustment would largely negate the windfall taxes generated by inflation policy. But as we can see, such taxes are in effect consuming capital at a rapid rate, which must ultimately result in decreasing productivity and an ever-lower standard of living for all. Perhaps we have already reached this point in the United States.

This is not to suggest that the ravages of inflation on the economy can be cured by any mere change in accounting techniques. But it does suggest that inflation has incapacitated the business compass of profit-and-loss accounting. Thus far, most of the discussion within the accounting profession has centered on how to change accounting practices to accommodate increasing price levels. This approach will require a constant stream of opinions and endless accounting adjustments. In the final analysis, such efforts will be fruitless.

What is the prospect? The lesson of England seems clear enough. Our industry may also become impotent with worn-out, obsolete equipment. The replacement capital will have long since been dissipated by the government to finance various welfare and pump-priming programs. Our course is clear. All of us, and especially the accounting profession, must devote our full energy and imagination toward curbing the government's inflationary monetary policy.

The Greatest Tyranny

IDEAS ON LIBERTY

THE greatest tyranny has the smallest beginnings. From precedents overlooked, from remonstrances despised, from grievances treated with ridicule, from powerless men oppressed with impunity and overbearing men tolerated with complacence, springs the tyrannical usage which generations of wise and good men may hereafter perceive and lament and resist in vain.

An 1846 editorial, *The London Times*

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World in the Grip of an Idea

Clarence B. Carson

9. Germany: Ideology Contends for Power 1918-1930

"By their fruits ye shall know them," Scripture says. By contrast, ideologists contend that by their *intentions* you must distinguish among them. It is crucial to understand this mode of thinking as it is practiced, particularly by socialist ideologues. The idea that has the world in its grip gains adherents, spreads, and tightens its hold because of the alleged good intentions of its believers. The results of the idea are everywhere destructive, the degree of the destruction depending mainly on the extent of the application. But this is obscured so far as possible behind a smokescreen of good intentions.

If the methods of operation of Adolf Hitler in Nazi Germany and of Joseph Stalin (or Nikolai Lenin or Malenkov) are compared, as they will be at a later point, it can be shown that their differences were insignificant alongside their similarities. They are differences such as there may be between the Communist penchant for the shot in the back of the neck or death by

In this series, Dr. Carson examines the connection between ideology and the revolutions of our time and traces the impact on several major countries and the spread of the ideas and practices around the world.

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exposure in the frozen north and the Nazi preference for execution by poison gas. Yet Nazis and Communists are generally held to be quite different species, the Nazi behavior having been beyond the pale while we must learn to live with Communists. Their differences are supposed to be somehow decisive.

How Different?

What are these differences? Let us go to what is supposed to be the nub of the matter at once. The Nazis, it is said, were racists, anti-Semitic, and sought to destroy the Jewish people. Grant the point, for the weight of the evidence is overwhelming that this was the case. But what of the Communists of the Soviet Union? Have they not persecuted and attempted to destroy the Jews in their own way? The point here is not so readily granted, for it is generally believed that some distinctions are in order, and perhaps they are. At any rate, let us make some.

In the first place, Jews have not been the only ones, or even the main ones, persecuted in the Soviet Union. A case could be made that Communists do not discriminate on the basis of race or nationality those whom they persecute, though examples could be given that would cast doubt on this proposition. But, for the sake of argument, let the statement stand, since members of every race, nationality, religion, or ethnic complexion have been persecuted by the Communists. More, some Jews have been able to survive within the Soviet Union. Some, who are technically called Jews, have even prospered, been members of the Party, and even sat in the counsels of the government.

But at what price? In answering this we come closer to the crux of the matter. They had better not be Zionists. If they are to prosper, they must not practice the Hebrew religion, even if they have an opportunity to do so. More, their chances of succeeding would be greatly advanced if they could somehow divest themselves of every aspect of their culture which might distinguish them as Jews. In short, a Jew is likely to succeed in the Soviet Union to the extent that he is not a Jew.

It can be argued, of course, that Soviet persecution of Jews is not racial in origin. It is, instead, cultural. The Communists only wish to wipe out Jewish culture, or what might be called "Jewishness," not Jews. That is a most interesting distinction, one which would probably have appealed to the Medieval scholar, Duns Scotus (from whom we derive the word "dunce"), for he had an especial liking for subtle distinctions.

The difficulty lies in the fact that there is no such *thing* as "Jewishness." Hence, government cannot act on it. It cannot be arrested,

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locked up, interrogated, tortured, shot, or put in slave labor camps. That can only be done to real beings, and Communists have specialized in doing it to people, even Jews. Whether it would have comforted Zinoviev, Kamanev, Trotsky, and Bukharin (Communist leaders of Jewish derivation put to death on orders from Stalin) or thousands of other Jews to learn that they were not put to death because they were Jews but because of their "Jewishness" we have no way of knowing.

Communists do not admit that they persecute Jews for their "Jewishness," but there is no doubt of the assault on the Hebrew religion, on Zionism, or on aspects of Jewish culture, and there is good reason to believe that Jews have suffered disproportionately for their heterodoxy in a land that requires orthodoxy. There comes a point when intentions matter not in the least; Zinoviev, Kamanev, Trotsky, and Bukharin are just as dead as they would have been had they died in a Nazi gas chamber. They died because they did not conform to some pattern in the mind of Stalin.

Rooted in Socialism

Communism and Nazism have common roots. The focus on Hitler's racism and the playing down of Soviet anti-"Jewishness" has helped to obscure this fact. These common roots are not only obscured but denied by the claim that Communism belongs to the "left wing" and Nazism to the "right wing." According to this terminology, they belong to opposite ends of the political spectrum. Writer after writer in book after book employs these terms in this way as if they applied to some obvious actual state of affairs. What they are doing, however, is propagating an illusion, an illusion which in its day may have satisfied the Nazis well enough and still satisfies the Communists.

That Nazis and Communists were usually political opponents is true, but there is no reason to conclude from that fact that they belonged on opposite ends of the political spectrum. The rivalry between brothers in a family is often intense; it is not even something new, for Cain slew Abel. And Communism and Nazism were brothers, or something of the sort, under the skin.

The full name of the Nazi Party was National *Socialist* German Workers' Party. But was Hitler a socialist? Clearly, opinions differ as to the correct answer to this question. According to the Communist Party line, he was not a socialist. The weight of opinion of avowed socialists, and their fellow travelers, around the world has been that he was not. Indeed, the gravamen of the claim that he belongs to the "right wing" is that he was not a socialist. Their desire to blame Hit-

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ler on something other than socialism is understandable (he's yours, not ours, they are saying), but that is hardly reason to accept their position.

Narrowly Nationalistic

Hitler claimed to be a *national* socialist, in contrast to *international* socialists. ("International," in Nazi ideology, would refer both to Communism and to any socialism with which Jews might be associated.) But if we look at the realities instead of the claims, this distinction tends to break down too. Hitler's Germany was hardly more nationalistic than Stalin's Russia, with its virtually uncrossable borders and chauvinistic appeals to the people. Indeed, every socialist regime is nationalistic in cutting its people off from trade and limiting intercourse with nonsocialist countries. Hitler's claim to being a socialist should be accepted, but since it is not generally, the demonstration of it will have to occupy a part of our attention.

The most direct way to determine in what corner of the political spectrum Nazism belongs may be to change the terminology. Instead of asking whether or not Hitler was a socialist, it will be much more fruitful to ask whether or not he was a *collectivist*. The answer to this can be made without equivocation: Hitler was a collectivist. The Nazi Party was collectivist. The purpose of so many of the practices, forms, and activities of the Nazis was collectivist—the mass meetings, the raised hand salute in unison, the cries of "Sieg Heil," the multitude of Swastika-adorned flags, the jackbooted soldiers on parade with their exaggerated precision drills, and the highly emotional speeches of the leaders. These and other such activities were aimed at arousing a single emotion which all would share, the forging of a unity, a collective, through shared common experience. So, too, was the appeal to German nationality, to blood and soil, to the master race, to a common destiny. War was glorified by the Nazis precisely because more than any other activity it calls forth and sustains the unified effort which is the aim of collectivism. War is collectivism in action; the spirit of collectivism becomes flesh in battle.

Collectivistic

Nazism was collectivist. Socialism is collectivist. All of them are on the same side of the political spectrum. They belong to the "left wing," if such terms must be employed, though the present writer would be happy to see those phrases lumped together with a host of other journalistic argot which now corrupts the language, and consigned to the waste bin.

The kinship of these ideologies

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becomes apparent, too, when we recall the basic idea that has the world in its grip. The idea is: To achieve human felicity by concerting all efforts toward its realization, to root out and destroy the cultural supports to individualism and the pursuit of self-interest, and to use government to concert all efforts on behalf of a general felicity and destroy the cultural obstacles to it. All socialist ideologies, indeed all modern ideologies, if there are any that are not in some sense socialist, proceed by discovering some ill or ills that afflict society (the Apple in the Garden of Eden, so to speak) and set forth the means by which the ills are to be corrected. As the present writer noted some years ago:

> The ideologue tends to fanaticism. Whatever it is that will set things right . . . becomes for him a fixed idea. This fixed idea may be democracy, equality, the triumph of the proletariat, the coming of the kingdom, the single tax, or whatever his panacea happens to be. Come the proletarian revolution, one will say, and the good society will be ushered in. Employ creatively his abstraction, the "state," another will hold, and a great and productive social unity will emerge. Extend democratic participation into every area of life, and life will be glorious. Abolish property, abolish government, single tax the land, redistribute the wealth, maintain racial solidarity, organize interest groups, form a world government, develop an all-embracing commitment to the nation, use government to make men free, and so on through the . . . enthusiasms which have animated those under the sway of some ideology or other.[1]

The content varies, but these ideologies come out of a similar mold of analysis and mode of operation.

A Disruptive Element

The main ill besetting German society, Hitler claimed, was the Jews and their various intellectual offspring: cultural diversity, democracy, communism, artistic disintegration, finance capitalism, and so on. The Jews were a disruptive element preventing an organic unity of the German people. They were aliens within the society acting as a huge obstacle to its productive fruition. Root out, remove, and destroy this disruptive element and the Germanic or Aryan race could concert its efforts toward great ends. The Jews were to Nazism what the bourgeoisie (or capitalists) were to Marxism. The Jewish exploitation of Germans was to Nazism what capitalist exploitation of labor was to communism. The German race was to Nazis what the proletariat was to Communists. The parallels are even closer than this may suggest.

Hitler's most basic appeal was to German workers to rise up and throw off the exploitation of the Jews, though he did not always approach it in this way. The Nazis aimed, too, to root out and destroy

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every cultural artifact which was thought to be a product of Jewishness. A revolution was to be wrought in German life. Communism was one of the putative enemies, but a good case can be made that Nazism was an aberrant subspecies of communism. Its positions were paradigmatic; its methods were essentially the same.

Nazism was dipped from the simmering cauldron of ideologies contending for power in Germany in the 1920's. It may be, as some contend, that what is here being referred to as the idea which has the world in its grip was born amidst the French Revolution in France, but the shaping of these ideologies was much more the work of Germans. In any case, Germans were mightily bent toward collectivism in the 1920's. Why this was so, and why Nazism emerged triumphant can be partially explained by German history.

Nationalism, Revolution and Social Reform

The three main ingredients of the German ideologies were nationalism, revolution, and social reform. It may well be that nationalism was the most important of these. Certainly, it has occupied the center stage for much of the time in the last hundred years or so of German history. In fact, strictly speaking, there is no German history prior to 1871. German was only a language, a language in search, it may be, of a state to encompass the area in which it was spoken. True, Germany had been united to some extent for a time in the Middle Ages as part of a larger empire. But it was not called Germany, and its boundaries were in no way restricted to what we now think of as Germany. At any rate, this empire broke up long before the modern era began. One writer describes the situation this way: "By the thirteenth century there were ninety-three ecclesiastical and fourteen lay princes. A century later there were forty-four lay princes, and their number continued to multiply as partitions took place between heirs. Many parts of the country were converted into tiny fragments."[2] The relics of empire were strengthened somewhat by strong Spanish monarchs in the sixteenth century, but their hold was severed by the Protestant Reformation and its aftermath.

German unification was finally accomplished in 1871 with the proclamation of a German Empire at the conclusion of the Franco-Prussian War. The architect of this unification was Otto von Bismarck. The king of Prussia was proclaimed as emperor (Kaiser) of Germany as well as retaining his old position as the head of the leading German state. Princes and kings in other provinces retained their hereditary thrones, and provincial legislatures

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continued to share in governing the provinces.

The German Empire ruled over by Kaisers Wilhelm I (1871-1888) and II (1888-1918) was a federated empire. The symbol of its unity was the Kaiser himself, who also held the reins of power. Chancellors were not creatures of the legislature but of the Kaiser, though Bismarck gave distinction to the post. Although there was a German parliament composed of a Bundesrat, in which the states or provinces were represented, and a Reichstag, in which the populace was represented, the main instrument of unity was the Prussianized armed forces. Although Austria, another German-speaking country, was not a part of the German Empire, German unification had been virtually achieved.

Shattering the Unity

In the closing days of World War I, this unity was shattered. The symbol of unity, Kaiser Wilhelm II, fled to Holland and abdicated, prompted by his prime minister and undeterred by the High Command. In short order, all the other German princes and kings abdicated as their power dissolved before them. The armed forces disintegrated both in consequence of the imminent military surrender and the thrust of soldiers and sailors organized into soviets or councils.

The stage appeared to be set for a repetition of the events that had taken place in Russia the year before. The parallels with the February Revolution were very close. In Russia in February of 1917 and in Germany in November of 1918, the emperors abdicated, the armed forces refused to obey their commanders, and workers and soldiers organized into soviets or councils. Red flags were waving in the streets, and there were those ready to rush on immediately to a Bolshevik revolution in Germany. More, Friedrich Ebert, the leader of the Social Democratic Party, formed a provisional government and began preparations for having a constituent assembly.

But there were important differences between the German situation and the Russian one, too. For one thing, the war was over in Europe, and the German provisional government did not have to wrestle with conducting a war. For another, the soldiers do not appear to have been as radicalized as they were in Russia. Even more crucial, the main Marxist party in Germany, the Social Democratic Party, had been largely won over to evolutionary or gradualist socialism. Its leadership could, and did, claim to be the party of the workers, thus defusing some of the revolutionary ardor, and Ebert used what armed forces he could assemble to suppress the incipient revolution.

The Communist Party was

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small—that was true in Russia too—, and it was not under the discipline of leaders like Lenin and Trotsky. More, two of the communist leaders, Karl Liebknecht and Rosa Luxemburg, were put to death in the course of suppression of the revolution. Kurt Eisner, a socialist who had formed a republic in Bavaria, was shot down on the streets of Munich. Those determined to avert revolution used more muscle than those seeking to make one.

It is not too much to say, though, that Germany was waiting for the other shoe to drop, so to speak, in the 1920's. The first shoe had dropped, the first stage of revolution had occurred, in November of 1918. That is not to say that a revolution must go full cycle once it has begun. But once a government has been overturned an effective one, one which has authority over and has the respect or awe of the populace, must take its place sooner or later. Germany in the 1920's hung between continued disintegration and establishing an effective government. The bureaucracy, the police, the army, and local governments maintained authority when and where they would and could, but their attachment and loyalty to the government of the Weimar Republic was tentative and uncertain. The centripetal forces often gained on the centrifugal, opening the way again and again to revolution.

The Treaty of Versailles

Germany was bent toward collectivism and collectivist nationalism by the Treaty of Versailles which was imposed on her after World War I. German leaders asked for and were granted an armistice. An armistice is what would most likely be called a cease-fire today, i. e., a stopping of hostilities in order to consider the terms of peace. It is not a surrender, and certainly not an unconditional surrender. Even so, the terms of the peace were not negotiated but imposed by the Allies on Germany.

Large areas mainly inhabited by Germans were separated from Germany or demilitarized or, in the case of the Ruhr, occupied by foreign troops for a time. Germany was supposed to have only a tiny army and only small ships in its navy. Most devastating of all, the German people were held to be collectively guilty for the war. Reparations were to be paid in huge amounts by the German government to the Allies. It did not matter that the German government of the Weimar Republic was not the government which had started and prosecuted the war. The German people were guilty, collectively guilty, the settlement proclaimed. Collective guilt, one suspects, can only be purged or renounced collectively.

The tendency of the Treaty of Versailles was to denationalize Ger-

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many, to make it a military nonentity, to make being German a shameful condition, and to penalize the status by reparation payments for several generations. Whether the treaty was just or not, it failed to produce the desired psychological effect on many Germans. Instead, it provoked the most virulent nationalist sentiments. Far from being ashamed that they were Germans, many found new virtue and pride in it, that special virtue attaching to those who are convinced they have been deeply wronged.

Negotiating for Concessions

One of the most difficult tasks of the governments of the Weimar Republic was to send their foreign ministers, hat in hand, to seek concessions from the Allies. People who believe they have been wronged do not wish to go hat in hand for concessions; they are defiant, and wish to demand and force the righting of the wrong. To the more radical of the nationalists, anyone negotiating for concessions was a traitor. Hitler was able to use the fact that Jews, notably Walter Rathenau and Gustav Streseman, undertook the difficult task of negotiation to bolster his charge that the Jews were selling out the German people.

But Germany was in much greater danger of falling apart in the 1920's than it was of unified or collective action. Indeed, a good case could be made that Germany had fallen apart at the end of World War I, and that it was never drawn together in the 1920's. The method of election to the Reichstag prescribed by the Weimar Constitution, adopted in 1919, came close to guaranteeing this state of affairs.

The Constitution called for proportional representation of parties in the Reichstag according to the share of the vote which each party received in general elections. Many members of the legislature received their appointments from party lists. This assured party control over the members, gave impetus to having a multiplicity of parties, and fragmented German politics into ideological configurations. The dominance of party made it difficult for any leaders with popular following to emerge. The Reichstag hardly spoke or acted for Germany; it spoke and acted for the parties and their individual ideological versions of what should be done.

The parties fell into three configurations generally. There were the socialist parties: the Social Democratic Party, the Independent Social Democratic Party, and the Communist Party. Then there were the center parties: the Democratic Party, the Catholic Centre Party, and, sometimes, the People's Party. The other grouping, usually described as "right wing," would have been made up of the Bavarian Peo-

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ple's Party (though it might sometimes be centrist), the Nationalist Party, and the Nazis, among others.

Minority Positions

From a parliamentary and, I believe, ideological point of view these classifications are drastically wrong in the case of at least two of the parties. Neither the Communist nor the Nazi Party participated in any of the governments of the 1920's; they were purely opposition parties. Moreover, they usually opposed the same things. True, their spokesmen may have used their most vicious invective on one another, but if they are to be placed in any parliamentary bloc in the 1920's it is with one another. As to the ideological affinities of the Nazis, that is a point requiring further attention.

None of the parties ever gained a majority of the popular vote or had a majority of members in the Reichstag. This meant that every government organized had to be a coalition government, a coalition usually of at least three parties. The Social Democratic Party was the largest single party in the 1920's, but it infrequently participated in organizing a government, both because of its own finely honed principles and because non-socialists tended to shy away from any of the socialist parties.

The usual process for organizing a government was this. The President, Friedrich Ebert until 1925 and General von Hindenburg thereafter, would select some member of the Reichstag, usually a man with influence in his own party, to form a government. He would usually then begin negotiations with other party leaders to get their support for a government. The coalitions so formed were unstable, and one government followed another in dreary fashion throughout the twenties. Disaffection with the republic was always widespread, and the succession of compromise governments increased the frustration with the system.

A Political Standoff

One thing that this standoff of parties did do; it prevented any of the governments from taking very drastic or radical action. As one history notes, the Weimar Republic was largely the creation of the Social Democrats, but "it was remote from anything socialistic. No industries were nationalized. No property changed hands. No land laws or agrarian reforms were undertaken. . . ; there was almost no confiscation . . . of . . . property. . . ."[3]

It may be technically true that there was little confiscation of property, but there was, nonetheless, a massive and catastrophic redistribution of wealth. It came by way of the runaway inflation in 1922-23. The government flooded the country

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with paper money in ever-larger doses; the purpose, ostensibly, was to repudiate the reparations debt and resist French occupation of the Ruhr. It failed on both counts, but it succeeded in wiping out domestic debt and virtually producing economic collapse. By November of 1923 it required over 2½ *trillion* marks to purchase a dollar. Shortly thereafter the inflation was ended, but such faith in the government as there had ever been was seriously eroded.

Sharp Conflict of Ideologies in the Reichstag

The conflict of ideologies was sharp and acrimonious in the Reichstag. When President Hindenburg entered the hall for his inauguration in 1925, the Communist members rose *en masse* and walked out. Nazis and Communists were generally considered to be pariahs to other members. Non-socialists generally resisted association with socialists. Votes were often dictated by parties on ideological grounds. Here is an example of such a vote. It concerned the building of an armored cruiser. The Social Democrats, who were militant anti-militarists, had campaigned against the building of such a cruiser. The Communists, not to be outdone, circulated a petition around the country to bar armored cruisers. These events then took place:

> When the Reichstag reassembled . . ., the Social Democratic delegation moved that the construction of Cruiser A be halted. This move naturally evoked strong and angry reactions from the other ministers and their parties. . . . Such a step could well have had serious consequences for the entire government. All this could have been foreseen. But the dogmatists among the Social Democrats forced a resolution through the delegation, requiring that *all* party members, including the Social Democratic ministers, support the delegation's motion en bloc. Even the President's personal suggestion that the ministers be at least permitted to abstain found no mercy at the hands of the delegation's majority. Thus, on November 17, 1928, the German Reichstag witnessed the grotesque spectacle of chancellor Hermann Müller voting against a decision which a cabinet he had chosen had passed with him in the chair.[4]

The motion failed, but if it had passed the world might have been treated to the unusual spectacle of the fall of a government because its premier had voted with the majority!

But what went on in the Reichstag was generally peaceful and tame compared to what was happening around the country during much of the 1920's. The ideological conflict was hardly restricted to even the vigorous expression of ideas. Private armies, if not commonplace, were not unusual in the 1920's. A Red army existed for a time in 1920. It was organized in

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the wake of the Kapp Putsch in March of the same year.

A renegade brigade of the German army was used to drive the government out of Berlin and install Wolfgang Kapp at its head. A general strike paralyzed Berlin and much of the country, and Kapp capitulated. As the troops withdrew from the city, this startling incident occurred: "As they marched along the Unter den Linden, a boy in the crowd hooted at them. Some soldiers broke ranks, hurled themselves on the boy, clubbed him to death with their rifle butts and then stomped him with their hobnailed boots. The crowd shouted in horror, while the soldiers calmly returned to their column. Infuriated by the shouts of the crowd, an officer wheeled round and ordered his troops to shoot into it with rifles and machine guns. Then they marched out of Berlin, singing."[5]

Fed by Violence

The Nazi movement fed on the ideological conflicts and the violence which they engendered. Hitler began to gain his following with speeches in beer halls in Munich. Violence often served as a backdrop for his emotional tirades. Hitler's private army was probably organized at first to protect him in these situations as well as to provide the violent setting. Here is an account of one of these conflicts:

> A sudden shout from a Communist took him [Hitler] by surprise; he faltered when replying; and suddenly they were all standing up shouting and hurling beer mugs. There was a deafening chorus of "Freiheit!" Tables were being torn apart so the legs could be used as clubs. The storm troopers . . . formed flying columns to wrestle with the Communists. One of the columns was led by Rudolf Hess who had already shown himself to be a formidable fighter. They used fists, chair legs, and beer mugs. . . . When the battle was won, Hermann Esser jumped on a beer table and shouted: "The meeting continues. The speaker has the floor."[6]

Hitler then finished his speech.

Hitler did not wait long before trying to go on to bigger things. With the aid of General Ludendorf he attempted a *coup d'etat* in what is known as the Munich Putsch in 1923. It failed, and Hitler was subsequently arrested, tried and convicted of treason, and sentenced to prison. He served only a little more than eight months of the term before he was released, but while in prison he worked on his book, *Mein Kampf*. The book is an attempt not only to set forth his ideology and methods but also to give them a historical gloss by providing what purported to be the historical record of the Aryan race.

There were other private armies in the service of ideology in the 1920's. The largest of these was one organized by the Social Democratic

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Party, mainly in Saxony and Thuringia. It was called the Reichsbanner, and was founded in February of 1924. The Reichsbanner was supposed to defend the republic from its enemies, but that did not change the fact that it was a private army, composed mainly of Social Democrats. Within a short time, it had three million members.[7]

Calm Before Storm

The German deterioration did not proceed on a straight line from bad to worse to revolution in the 1920's. If the Nazis, or the Communists, or whatever radical party, had brought off a revolution in late 1923 or early 1924 that would have been the case. The worst disorders—the initial revolt of the soldier's and worker's councils, the disintegration of the army, the Kapp Putsch, the assassinations of Eisner, Rathenau and Erzberger, the revolt of the Red army, the Munich Putsch, the runaway inflation—occurred from 1918 through 1923.

The Weimar Republic weathered these and other disorders. Indeed, the political situation appeared to have stabilized from 1924-1929. A stable currency was introduced, the economy revived, the Allies began to grant concessions, foreign money began to pour into Germany, and the people enjoyed something approaching domestic tranquility for a few years. If Hindenburg's election to the presidency did not increase attachment to the republic, it at least reassured monarchists and nationalists that they were not without friends in high places. Even Hitler was more restrained for a time, as he concentrated his energies on developing a national following.

It was, of course, the calm before the storm.

The Weimar Republic survived for about fourteen years, more by luck than by design. It survived for want of a generally acceptable alternative—the socialists would not entertain the idea of restoration of the monarchy, and those who despised the republic could not unite behind a common banner—and, perhaps, because those who would make a revolution could not find a handle for bringing it off.

From Crisis to Collapse

The French Republic survived the years from World War I to World War II without collapsing, and France had many political parties, revolving-door governments, sharp ideological conflicts, and a similar deterioration to that of Germany. But France had not suffered the German defeat, had not experienced a runaway inflation, and was not so clearly poised on the brink of revolution. Even so, it should be noted that the French Republic collapsed in less than five weeks in 1940 under

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pressure from German, then Italian armies. It required only a sufficient crisis to bring about collapse.

That crisis for Germany was the Great Depression. Many countries were hit by depression after 1929, but none harder than Germany. The foreign money which had poured into Germany after the adoption of the Dawes Plan was no longer available. Liquidity preference in Germany evinced itself in many instances in the transfer of bank accounts to other lands. Unemployment mounted. There were reparation payments to be made. Germany's unemployment insurance program placed a heavy burden upon the government and upon those who were working. By 1930, or in the course of the year, there was widespread agreement about the necessity of emergency measures.

Hitler was waiting in the wings, indeed, had been waiting for some time. The Nazi Party vote grew rapidly as the crisis deepened. It is not generally understood how cleverly Hitler had constructed the Nazi ideology, and never will be by those who insist on forcing it into a "left wing" or "right wing" mold. It is neither of these, if there are any such ideologies.

Broadening the Base

The Nazi ideology cut across the spectrum of German parties and ideologies. It was clearly designed to draw from all of them while being none of them. It claimed to be *national,* hence appealing to those concerned to establish national unity and military prowess. It claimed to be *socialist,* thus appealing to those for whom socialism was the elixir for modern man. It claimed to be *German,* which in its own freighted framework meant racist and anti-Semitic, and racism and anti-Semitism had much potential appeal in Germany, as elsewhere. And it was, it said, the party of *workers.*

There is no way of knowing how much design went into the choice of words here. Hitler built his initial following on the base of a worker's party; hence the term might simply have been taken over without much thought. Whatever the case may be, he did seek to build his support on a broad base of manual workers. Beyond these, he proposed to go further than monarchy by establishing the leadership principle, i. e., personal dictatorship.

None of the existing parties could get a majority by their sectarian ideological appeals. He would draw from the several leading parties and ignore the established spectrum of parties. There were those, of course, from whom he would not attempt to draw. He was anti-Communist, anti-Semitic, anti-democratic, and anti-republican. These were the enemies: democrats were too ineffectual to merit anything more than

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his contempt, but Jews and Communists (quite often indistinguishable to Hitler) were powerful enemies to be overcome.

From the elements to which he would appeal Hitler intended to weld a powerful collective unity. Whether he could ever have got a majority in a free election is now a moot question. He came close enough to it to achieve his purpose of attaining power.

Next: *10. Germany: National Socialism in Power.*

—FOOTNOTES—

[1]Clarence B. Carson, *The Flight from Reality* (Irvington, N. Y., FEE: 1969), p. 302.

[2]Arnold J. Heidenheimer, *The Government of Germany* (New York: Thomas Y. Crowell, 1971, 3rd ed.), p. 4.

[3]R. R. Palmer and Joel Colton, *A History of the Modern World* (New York: Alfred A. Knopf, 1958, rev. ed.), pp. 759-60.

[4]Erich Eyck, *A History of the Weimar Republic,* II (Cambridge: Harvard University Press, 1963), p. 164.

[5]Robert Payne, *The Life and Death of Adolf Hitler* (New York: Praeger, 1973), p. 151.

[6]*Ibid.,* pp. 161-62.

[7]See S. William Halperin, *Germany Tried Democracy* (New York: W. W. Norton, 1946), pp. 285-86.

IDEAS ON LIBERTY

Law Is a Negative Concept

JUSTICE is achieved only when injustice is absent.

But when the law, by means of its necessary agent, force, imposes upon men a regulation of labor, a method or a subject of education, a religious faith or creed—then the law is no longer negative; it acts positively upon people. It substitutes the will of the legislator for their own wills; the initiative of the legislator for their own initiatives. When this happens, the people no longer need to discuss, to compare, to plan ahead; the law does all this for them. Intelligence becomes a useless prop for the people; they cease to be men; they lose their personality, their liberty, their property.

Try to imagine a regulation of labor imposed by force that is not a violation of liberty; a transfer of wealth imposed by force that is not a violation of property. If you cannot reconcile these contradictions, then you must conclude that the law cannot organize labor and industry without organizing injustice.

FREDERIC BASTIAT, *The Law*

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George Mason and Individual Rights

Willie E. Nelms

In the recent Bicentennial celebrations, it has become popular to examine the contributions of the Founding Fathers of our country. The names of these individuals are well known to all Americans. Men such as George Washington, John Adams, and Thomas Jefferson will be remembered as long as this country exists. Yet, one individual, who added much to our heritage and especially to the cause of liberty, is unknown to many people. This man is George Mason of Virginia. A brief examination of his life and contributions will remind us of the heritage of our country and should serve as an inspiration to present-day libertarians.

Mason was born in the Northern Neck of Virginia near the Potomac River in 1725. His father having died when he was ten, young George came under the care of his uncle, John Mercer, a prominent lawyer. At Mercer's plantation, "Marlborough," Mason spent much time studying in the well-stocked library. The essays of John Locke, as well as the writings of philosophers from throughout history, were studied by the young Mason.[1]

These writers were instrumental in shaping the thoughts of Mason, who early developed a deep respect for English common law and the rights of individuals. In addition, he read several tracts against slavery and began his lifelong opposition to that institution which was thriving in his native state.

In many ways, Mason represented the spirit of the Enlightenment. Self-educated, he believed in the rule of reason; he thought life, liberty, and private property to be vital to human rights. In economics, he saw the importance of free exchange. He believed it was necessary for men to develop their own enterprises and to bear the consequences of their own economic successes and mistakes.[2]

By the time Mason was grown and in charge of his own plantation, "Gunston Hall," problems between the colonies and Great Britain were rapidly increasing. As a member of the Virginia House of Burgesses, he openly opposed the Stamp Act as an illegal levy that must be resisted.

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It was during the years after his opposition to the Stamp Act that Mason established his personality as a leader. Unlike his fellow Virginian Patrick Henry, he was not a fiery orator. Instead, he chose to influence his colleagues in small meetings, where his well-reasoned arguments were greatly respected. As Edmund Randolph, one of his contemporaries noted, "among the members who in their small circles were propagating activity was George Mason in the shade of retirement."[3]

The "shade of retirement" about which Randolph spoke was always inviting to Mason. An intensely personal man, he never considered himself a public figure but a man of private affairs, even during his most active periods as a leader. Like other libertarians, he would have much preferred taking care of his own affairs and leaving others to do the same. It was only the threat to individual freedom that kept him active in public matters.

Whatever his personal preferences, Mason reached a high point in his career in 1776 when he met in Williamsburg with other Virginians to develop a new revolutionary government. It was here that he drafted the Virginia Declaration of Rights. A remarkable document, this paper expressed Mason's view of the basic rights of all men.

The Declaration stated that all men were by nature free and had certain basic rights, including "the enjoyment of life and liberty, with the means of acquiring and possessing property, and pursuing and obtaining happiness and safety."[4] He called for a limited government that would not interfere with an individual's exercise of his rights.

The Virginia Declaration

The Virginia Declaration noted "that freedom of the press is one of the great bulwarks of liberty, and can never be restrained by despotic governments." Mason also called for freedom of religion and religious tolerance.[5] The document went on to proclaim that trial by jury was vital, and it set forth the idea that government gained its powers from the consent of the governed.

Expressed in straightforward language and running to only a few hundred words, the Virginia Declaration proclaimed all men free from restraint as long as they did not threaten or harm others. By writing this document, Mason gave voice to the growing spirit of independence in the colonies and helped establish a standard of individual liberty that would be shared by free men for years to come.

The Virginia Declaration of Rights became a model for other states, which adopted similar statements.[6] In addition, the Mason proclamation, either directly or indi-

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rectly, influenced the national declaration that Thomas Jefferson drafted several months later.

At the end of the Revolution, when many citizens came to believe that the Articles of Confederation did not provide an adequate government for the new nation, a constitutional convention was called in Philadelphia. As a delegate to this gathering, Mason spoke often on the need to guarantee civil liberties. He was disappointed when the convention agreed that a simple majority vote of the national legislature could authorize interference in the internal affairs of the states. He feared that such action would lead to national intervention in local economies.[7]

At the Philadelphia gathering, Mason also spoke against the continuance of the slave trade and was upset when the delegates took no conclusive action on the matter.[8] Mason's anger at the proposed constitution reached the point of no return when the convention members refused to formulate a bill of rights. He believed that such a statement was necessary to protect the citizenry against the growth of the national government.[9]

When the convention failed to comply with Mason's wishes, he returned home to "Gunston Hall," determined to oppose the new constitution. Joining forces with Patrick Henry and other prominent Virginians, he championed the Anti-federalist cause at the state convention called to consider the ratification of the new government. He again argued that addition of a Bill of Rights was essential. It was only through such a document, he argued, that the people could feel secure in their freedom. He voiced the fear that the new federal government with its power to levy taxes, would destroy the powers of the states and individuals as well.[10]

A Lonely Position

Mason's stand made him unpopular with many of his fellow Virginians, with whom he had worked in the battle for independence from Great Britain. Such men as James Madison, George Washington, and other longtime associates believed that their friend was losing perspective on the issues of the day. Some of these former allies noted that his formidable intellectual powers seemed to be waning. How much of this criticism was due to their being on opposite sides in the constitutional battle and how much was due to correct observation can not be ascertained. It is worth noting, however, that many of the delegates to the state convention said that Mason, who was then in his upper sixties, still retained his sharp and incisive mental capabilities.

With the final defeat of the Anti-federalists and the acceptance of the

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Constitution, Mason withdrew to his plantation to live out his days. At first embittered by his defeat, he was given satisfaction when a Bill of Rights was added to the new Constitution. This document, modeled after Mason's 1776 work and drafted by fellow Virginian James Madison, was viewed with approval by the owner of "Gunston Hall." Noting that only two or three further amendments were needed, especially to restrain the federal judiciary, Mason said that he could support the Constitution.

Further satisfaction was given Mason when many Southerners began to share his belief that the new federal government might pose a threat to the states. After his death in 1792, these fears were amplified many times by individuals who saw the growing power of the federal government in areas that challenged the rights of individuals.

In more recent times, we can appreciate the contributions of George Mason. A man of great intellect, he used his powers to proclaim the cause of human liberty. Realizing the dangers of unrestrained power (even in the modest form established by the Constitution), he saw the repression of individual freedom as a real possibility. His Virginia Declaration of Rights set forth basic doctrines of human liberty which have influenced men ever since.

He saw the evils of slavery and realized that they would haunt his home state and the nation until an acceptable conclusion was reached.

Mason was a great man who advised great men. At a time when the highest caliber of men who have ever led this country were in power, he served as a great influence on them. This is a great compliment to pay any man. His contributions will not be forgotten as long as men read the Virginia Declaration of Rights and realize the need for individual freedom. He should serve as an inspiration to each person who champions the cause of freedom in today's world.

—FOOTNOTES—

[1]Henri, Florette, *George Mason of Virginia* (New York: Crowell-Collier Press, 1971), p. 21-25.

[2]"George Mason," *Dictionary of American Biography*, Vol. VI (New York: Charles Scribner's Sons, 1933), p. 364.

[3]"George Mason," *Dictionary of American Biography*, p. 362.

[4]Rutland, Robert, *George Mason: Reluctant Statesman* (Charlottesville: Dominion Books, 1961), p. 57.

[5]Rutland, *George Mason*, p. 111-114; Miller, Helen Hill, *George Mason; Gentleman Revolutionary* (Chapel Hill: University of North Carolina Press, 1975), p. 152-154.

[6]Miller, *George Mason*, p. 154-155.

[7]Rutland, *George Mason*, p. 87.

[8]Miller, *George Mason*, p. 252-253.

[9]Miller, *George Mason*, p. 261-263.

[10]Rutland, *George Mason*, p. 92-102.

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Susan Fain

Educating for Freedom

ALBERT JAY NOCK observed that there is a practical reason for preferring freedom: "freedom seems to be the only condition under which any kind of substantial moral fiber can be developed."[1] It is clear that Mr. Nock is referring to the fact that to form a moral character one must be free to make his own choices, and his own errors. Good deeds, under compulsion, whatever they may be, bear no relation to the character of the individual; for without the opportunity to do wrong, correct actions are morally meaningless.

One element in the development of moral fiber is education, in alliance with the family and the religious institution. The essential requirement, if any of these factors is to effectively aid the development of the individual, is the existence of freedom. Deprive the individual of his freedom to respond or not to these influences and the result may be an obedient automaton, but not a moral, reasoning individual. Thus the "crisis in the schools." Compulsory schooling has been so inimical to the purposes of education that Frank S. Meyer could write in 1962, "The symptoms of deterioration in our educational system, long apparent to serious observers, have become so obvious that the fact of deterioration is now a matter of public concern."[2] Much of the failure may be traced to government intervention in the field of education.

What then, is the role and purpose of education in a free society, as

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opposed to the prevailing collectivist influence? Richard M. Weaver wrote that, "education means not merely the imparting of information to the mind but the shaping of the mind and of the personality . . . education is unavoidably a training for a way of life. Education . . . goes beyond instruction to a point that makes it intimately related with the preservation of a culture."[3] Meyer supports this view by stating that traditional education, "was based on the assumption that the function of the school and the college is to train the mind and transmit to the young the culture and tradition of the civilization, thus forming a firm foundation for virtue."[4] And Nock defines education as, "a process contemplating intelligence and wisdom, and employing formative knowledge for its purposes; while training is a process contemplating sagacity and cleverness, and employing instrumental knowledge for its purpose. Education, properly applied to suitable material, produces something in the way of an Emerson; while training, properly applied to suitable material, produces something in the way of an Edison."[5]

Education vs. Training

One of the first errors of modern education was a failure to distinguish between education and training. The concepts of democracy and egalitarianism were applied to education in such a manner as to downgrade the exceptional, and exalt instead the mediocre and the common. The "right to an education" became the excuse for such practices as the lowering of admission and graduation standards, grade inflation, and the purging from academic curriculums of any materials that might require effort and intelligence for their comprehension.

The failure to recognize degrees of educability among various individuals has resulted in the degeneration of scholarship to its least common denominator. From this comes the belief that education must be equal for all, that any differentiation between training and education would violate current definitions of "equality." Thus the system of compulsory popular education develops, "a sort of sanhedrin," writes Mr. Nock, "a leveling agency, prescribing uniform modes of thought, belief, conduct, social deportment, diet, recreation, hygiene; and as an inquisitional body for the enforcement of these prescriptions, for nosing out heresies and irregularities and suppressing them."[6]

A free society acknowledges the desirability of education for its citizenry, but recognizes at the outset the great differentiation in individual potential for achievement. Under conditions of freedom, varying institutions will emerge to cater

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to the diversity of individual interests and abilities. A free society allows each individual to choose and pursue his goals on his own initiative and ability. Government neither prohibits nor demands the pursuit of education; to attempt to compel the pursuit of knowledge is as ludicrous as attempting to impose a taste for caviar.

The Market Will Provide

If an individual desires a more advanced education and possesses the ability to pursue higher learning, a free society will respond to this demand as it does to the provision of luxury goods for those who desire and can afford them. The case of the individual who has the desire and the ability to pursue knowledge, but lacks the financial resources necessary thereto, would find no lack of private assistance in a free society that values the education of the educable. Private contributions for higher education, even in this decade of exorbitant government taxation and subsidies, run into the billions; and this supports the contention that there would be no dearth of voluntary funding if government were removed from educational financing. Private support would also result in a far greater diversity of academic opportunities.

Currently, in order for a needy individual to obtain financial aid from government, he must pursue his education according to the dictates of the State, and in institutions of the State's choosing. Those seeking financial assistance must conform to the values of the State or be denied that which they seek. With private funding, the applicant need only convince one patron of the legitimacy of his pursuit. Even unpopular goals would thus find their champions.

The Need to Know

Let us now explore in greater detail the purposes of education in a free society. The traditional view of education held that there is a body of knowledge worth knowing for its own sake, worth passing on from one generation to the next, and that outstanding achievement in acquiring this knowledge—scholarship—is to be venerated. The Biblical and Classical heritage of the West was based on belief in a transcendent order. It maintained that in order to serve God, one had to know God's will, and that this required disciplined study. This heritage also recognized the infiniteness and unattainability of total knowledge, so that its pursuit encompassed a lifetime, was unceasing, yet incapable of achievement. The belief that Man is made to serve a transcendent end provides the primary motivation for the pursuit of knowledge and wisdom.

It is implicit in this that man

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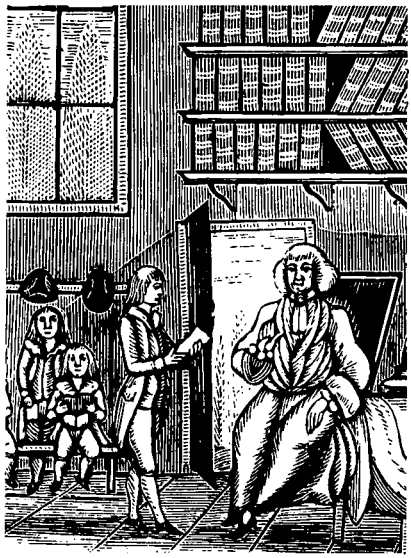
should attempt to utilize his inherent potentialities and talents, and that therefore, he has a duty to develop his whole nature; he must school his emotions, learn some skills, develop his mind. Albert Jay Nock described this view succinctly when he wrote, "Cicero was right in saying that a person who grows up without knowing what went before him will always remain a child. One may know it thoroughly, too, in an academic way, and still remain a child. Knowledge has to be reinforced by emotion in order to be maturing."[7]



Cultural Requirements

In addition, there are cultural needs which play a role in education. The formulation of a culture appears to be an inherent trait of mankind, and the preservation of a culture, once created, answers Man's desire for an identity beyond the individual. There has always been, until recent times, a strong presumption in favor of traditional institutions and values, and challenges to these fundamental values were not undertaken lightly. Thus the stability of a culture was preserved, and men felt secure within it.

Reverence for tradition, then, is among the tenets of traditional education. One studies the past with a view to understanding that which went before, to trace the continuity of the culture, and to find his place in this historic evolution. Education, thus construed, results in an understanding and maturity of outlook that sees the present, not as an isolated occurrence, but rather in terms of the historical background from which it was formed. This was the purpose underlying "the grand, old fortifying classical curriculum." "Progressive education" has undermined this cultural identification, destroyed the stability of the historic perspective, and resulted in the social nihilism of modern man.

Education in a free society must, therefore, return to its roots in the Biblical-Classical-Western tradition because this reflects the needs of men's minds, and the cultural iden-

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tity inherent in human nature. The quest for knowledge finds its basis, not in conformity to the needs of the State, nor in the desire to adapt to mass preferences, but rather in the needs of the individual to uncover his identity—spiritually, intellectually, and culturally. Until education begins to answer these needs, the educated man will always be "superfluous" and the mass-man will reign as the symbol of the society.

A society of mass-men will not long remain free, for the presence of the few who oppose mass values will soon become intolerable. It is the abandonment of the traditional role of education that has brought about this profound threat to freedom, and it will only be by a return to these traditions that the erosion of our freedoms will be curtailed.

—FOOTNOTES—

[1]Albert Jay Nock, *Cogitations* (Irvington, New York: The Nockian Society, 1970), p. 63.

[2]Frank S. Meyer, *In Defense of Freedom: A Conservative Credo* (Chicago: Henry Regnery Co., 1962) p. 156.

[3]Richard M. Weaver, *Visions of Order: The Cultural Crisis of Our Time* (Baton Rouge: Louisiana State Univ. Press, 1964) p. 113.

[4]Meyer, *In Defense of Freedom* p. 157.

[5]Albert Jay Nock, *The Memoirs of a Superfluous Man* (Chicago: Henry Regnery Co., 1964) p. 270.

[6]Nock, *Cogitations* p. 22.

[7]Nock, *Cogitations* p. 72.

IDEAS ON LIBERTY

Education Begins at Home

FORTUNATELY, we need not wait for institutional reform if we wish substantially to improve the education of our young. Not all education occurs in the school. Education, like charity, begins at home. If the task of reforming a giant educational structure serving millions of children seems too large, could each of us at least assume responsibility for the proper mental and moral development of a single child? The individual need not feel impotent when he has before him a task on a scale which he *can* comprehend as an individual, especially when that task is the development of human personality, surely the single most important undertaking in the world. There is one catch: If the effort is to have the chance to succeed, the individual educator of the individual child must want to meet the challenge.

GEORGE CHARLES ROCHE III, *Education in America*

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In the Name of the PEOPLE

THERE ARE SEVERAL WAYS of writing history. One is to do it chronologically, with just enough reference to "influences" (economic, social, intellectual) to make events credible. Another way is to deal with "real" causes in depth, paying strict attention to the "scribblers" who, in John Maynard Keynes' estimation, always control the actions of "statesmen" who may have quite forgotten the origins of what are all too often their obsessions. In this second type of history the "story line" of action may become tantalizingly blurred. But the mosaics, the intaglio work, invariably possess a fascination all their own.

Adam B. Ulam's *In the Name of the People: Prophets and Conspirators in Prerevolutionary Russia* (Viking Press, 625 Madison Ave., New York, N.Y. 10022, 448 pages, $15.00) is an absorbing example of history-as-the-sum-of-intellectual-influence. Reading it is an adventure in hardihood. The names of obscure contributors to forgotten publications such as Alexander Herzen's *The Bell* or Nicholas Chernyshevsy's *The Contemporary* come so thick and fast that one spends more time turning back the pages than one does in going ahead. It is as if one were reading recent British history in a detailed study of the tracts of the Fabian Society, which indubitably played a fundamental role in undermining an empire and bringing a whole middle class society to its knees. Or it is as if an American historian had chosen to tell us all about the New Deal by analyzing what was printed in the Twenties and early Thirties in the pages of *The Nation* and *The New Republic,* where George Soule, Rexford Tugwell and Stuart Chase, among others, expatiated on the idea of "the planned society."

The late Joseph Schumpeter thought that capitalism would succumb to socialism not because of any intrinsic defects in the market sys-

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tem but because it could not hold the loyalty of intellectuals. But what Ulam shows is that intellectuals, if unemployed, will undermine any system. (The Solzhenitsyns will be the death of Communism yet!) Objectively considered, the decision of the intellectuals in late Nineteenth-Century Russia to use terroristic tactics in hopes of sparking a revolution that would establish a free federation of peasant communes stretching from Poland to Vladivostok was supremely stupid. The intellectual nihilists simply did not know the "people" for whom they professed to speak.

Alexander Herzen, no terrorist himself, held court and published his magazine in western Europe, where he was inevitably cut off from "firsthand knowledge" of his own country. When he left Russia in 1847 it was, admittedly, a "vast prison." But "reform," of sorts, would have come without the intercession of intellectuals who hoped to establish a Utopian combination of anarchism and socialism without first passing through a "western" cycle of parliamentarianism and capitalist development.

Nicholas I, in reaction to the unsuccessful revolt of December 14, 1825, had "sat on the lid" for thirty years, forcing intellectuals to become conspirators and infiltrators for want of open forums inside Russia. But after Alexander II came to the throne in 1855, it was, as Ulam says, "a different Russia." In his *Once a Grand Duke,* Alexander Michailovich Romanov, a nephew of Alexander II, describes his uncle as a nice and kindly man who, if the terrorists had left him alone, would have done much more for Russia than the circumstances of living under a perpetual state of siege permitted. Since the Grand Duke makes no bones about describing most of his relatives as incompetents, we may take him as a relatively unprejudiced witness.

An Impossible Situation

In any case, Alexander II was faced with an impossible situation. He had freed the serfs, but he couldn't turn an illiterate peasantry into a nation of capable freehold farmers overnight. But neither could the young intellectuals who "went to the country" turn the ex-serfs into liberal Kropotkin anarchists who would, somehow, establish themselves in prosperous "fields, factories and workshops" without having recourse to village entrepreneurs who wanted something for themselves.

It was an impasse, but history would have provided an out if nihilists such as the psychopathic Nechayev had not intervened. As Ulam says, the nihilist and populist supporters of the Land and Freedom and the People's Will conspiracies

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ignored the fact that there was "no such thing as the people." Many ex-serfs lived as their medieval ancestors had done. But under Alexander II the "peasantry was already going through what the Marxists called class differentiation." Some villages were on the threshold of the industrial age. There were "tight-fisted ones"—the kulaks—but there were also helpful self-made men who felt they had an obligation to those who worked for them.

Alas, the conspirators had no use for evolution as opposed to instantaneous transformation. The first attempt on Alexander II's life, made in 1855, failed. But the rebels, fed by exiled propagandists such as Bakunin, persisted. The invention of dynamite was great help in making "elegant and slender bombs." Finally, on their eighth attempt to kill him, the People's Will conspirators, never more than a few hundred in number, managed to assassinate a Czar who still held the affections of many of the peasants whom, after all, he had freed with the stroke of a pen at a time when the United States was convulsed by the violence of the Civil War. It had taken the nihilists until 1881 to get a brave man.

Impending Revolution

Alexander III, the Romanov giant who succeeded to the throne, managed to scatter the conspiracy. But it was only for his short lifetime. The Grand Duke Alexander thinks that the premature death of Alexander III at the age of forty-nine in 1894 "advanced the outburst of the revolution by at least twenty-five years." Nicholas II did not know how to cope with a history that included two disastrous wars, and he had a faculty for taking the worst possible advice. Alexander III, according to his nephew, would have had the good sense to avoid being drawn into the squabbles of western Europe.

The nihilists did nothing for Russia. But they did something for an emigre who took the name of Lenin. The Bolsheviks, like their forerunners in the People's Will, believed in a small organization that presumed to speak in the name of the people, or, as Lenin preferred, the proletariat. But they had observed that assassination solved nothing by itself. The "objective circumstances" had to be right before a coup d'etat could be turned into a revolution. Lenin had what the nihilists lacked, an infinite amount of patience.

The really sad conclusion is that Lenin, like his terroristic intellectual forebears, had no real knowledge of human nature. He couldn't understand the elementary point that without private ownership there is no protection against tyranny. Under Communism Russia is no better off than it was a hundred and fifty years ago, when Nicholas I

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ruled by repression. Indeed, it is worse off—the Bolsheviks have added torture to the repressive measures they learned from the Czars. As Max Nomad once said, the Kaiser and Czar were liberals when compared to Lenin and Stalin. The KGB and the Gulag have gone way beyond the Romanovs' Nineteenth-Century Third Department, which never knew the depths of depravity that became routine in the totalitarian regimes of the Nazis and the Bolsheviks in the Twentieth Century of the so-called Christian Era.

ADAM SMITH: THE MAN AND HIS WORKS
by E. G. West
(Liberty Press, 7440 North Shadeland, Indianapolis, Ind. 46250)
254 pages ■ $6.95, cloth; $1.45, paperback.

Reviewed by Allan C. Brownfeld

THIS is certainly an appropriate time for the appearance of a new biography of Adam Smith. The same subjects which concerned him concern us now. Reading the financial pages of any contemporary journal, Adam Smith would find the debate about the merits and demerits of free trade and protectionism all too familiar. In the last 200 years, he would probably conclude, we have learned very little. He might also think to himself that had we consulted his works, we might have been spared many of our present dilemmas. In this, he would surely be correct.

This small and readable volume by Dr. E. G. West includes not only a review of Smith's life and the world in which he lived, but provides us with an excellent summary of *The Wealth of Nations*. Dr. West, who is now Visiting Professor at the Center for the Study of Public Choice at the Virginia Polytechnic Institute, also restores to eminence an earlier work of Smith's, *The Theory Of Moral Sentiments*. (*The Theory of Moral Sentiments* has also recently been reprinted by The Liberty Press; hardcover $9.95, paperback $2.95.)

Dr. West believes it more than coincidence that 1976 marked both the 200th anniversary of the publication of *The Wealth of Nations* and of the American Revolution. He notes that, "In many ways Adam Smith belongs to America as much as does Jefferson . . . Jefferson and Smith complemented each other in their work. Both men, for instance, shared the republican instinct; both argued strongly for liberty; and Jefferson's plea for political liberty was well accompanied by Smith's campaign for freedom to trade."

Adam Smith understood 200 years ago what many economists

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and political leaders have not yet understood today. Dr. West writes that, "Smith ridiculed in particular the artificial barriers against trade between the two neighboring rich countries of France and England. Such restrictions, argued Smith, were the outcome of a quiet, domestic conspiracy between self-seeking tradesmen and politicians. He was the first to concede that the pursuit of self-interest was not intrinsically bad; what was needed was a system in which self-interest would be so harnessed that it would be an ally and not an enemy of social prosperity. In general, the private free market mechanism provided such a system. By pursuing his own interest, the individual frequently promoted that of the society 'more effectually than when he really intends to promote it.' "

Smith was a vigorous defender of his philosophy of free trade and free markets. Many examples of this defense are presented by Dr. West. In one, Smith declared that, "By means of glasses, hot beds, and hotwalls, very good grapes can be raised in Scotland, and very good wine too can be made of them at about thirty times the expense for which at least equally good can be brought from foreign countries. Would it be a reasonable law to prohibit the importation of all foreign wines, merely to encourage the making of Claret and Burgundy in Scotland?"

Dr. West also points out that Adam Smith believed in liberty as a principle, not as a "utilitarian" means of achieving worthy ends. It was *the* chief end in itself: "The 'true' lover of liberty values freedom for its own sake. The person who supports freedom only because it will have consequences that he approves of is not so committed. Smith was the 'true' libertarian. . . . One does not have to look hard through Smith's writings to find liberty treated as a value *absolute*. . . . Again and again he reveals himself as an arch opponent of established oligarchies, entrenched aristocracies and oppressive religious establishments."

Yet, it is also true that Adam Smith was not the ideologue that many of his most fervent followers have made of him. In this connection, Professor West points out that, "Prepared to consider exceptions to general rules, he was a careful *advocate* and not, like the subsequent writers in the Manchester School, an *apostle* of free trade. Indeed, in conceding that tariffs were in some circumstances acceptable, he provides an interesting ancestry of many modern economists who have developed what they call 'second best' arguments in favor of limited protectionism. Smith's general conclusion, however, was that apart from the stated exceptions there was an underlying presumption in favor

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of free trade and that, generally, the onus was upon interested parties to prove otherwise."

In many respects, the mercantile philosophy which Smith opposed in the 18th century is very similar to the "Keynesianism" of this century. Professor West states that, "Smith's views on the national debt and unbalanced budgets in particular revealed the full vigor of his opposition to mercantilists. . . . In issuing debt, governments deprived industry and commerce of capital and thereby caused an increase of present consumption. This was to the detriment of accumulation and growth. Unbalanced budgets were a menace to liberty. Once the sovereign developed a taste for borrowing he would realize an increase in his political powers since he would no longer be so dependent on tax exactions. . . ."

In Smith's time, as today, the proposition that the national debt is not really a burden to the country but only an *internal* transfer was a basic argument used to support deficit spending. Smith explained that "because the taxes impoverished the private sources of revenue, land and capital stock, this led to the withdrawal of capital from the country by owners who had become irritated with 'the mortifying and vexatious visits of the tax-gatherers.' "

It is too bad that we have learned few historical lessons in the years since Adam Smith shared his wisdom with the world. For this reason. Dr. West's biography seems to address contemporary men and women in terms of their own era. Perhaps if we rediscover Adam Smith, we can move in the direction of rediscovering the truths he so painstakingly sought to transmit.

THE RECONSTRUCTION OF THE REPUBLIC
by Harold O. J. Brown
(Arlington House, 165 Huguenot St., New Rochelle, New York 10801, 1977)
207 pages ■ $8.95

Reviewed by Melvin D. Barger

Dr. Brown, a professor of theology at Trinity Evangelical Divinity School in Deerfield, Illinois, argues that the United States derived its strength, freedom, and cohesion from a system of biblical values now virtually repudiated. A system of humanistic values, sponsored by a wide range of opinion makers and thought leaders, has replaced the older religious values. But humanism is unable to maintain our individual and collective vitality and cannot give us vision and purpose. We have been weakened to such a point that the long-term survival of the United

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States as an independent, sovereign nation is now in question.

Dr. Brown is not a doomsday prophet, but he does show that the predominant values and ideas in a society determine its future conditions. If we face decline and destruction, it is only because we have chosen a faulty system of values and have turned away from belief in God. We can find new vision and new direction by recovering our former values.

"We must learn again to identify what is really wrong in our individual and collective conduct, and make that right," Dr. Brown insists. "But we will not find our guides among those who are leading the way—the self-made 'opinion makers.' The answer is to return, consciously and with eyes open, to a fundamental truth of human nature, set down in the Bible and observed over and over again throughout history. Man's life has a moral dimension, and he *needs* something more than the satisfaction of his merely physical 'needs.' That moral dimension, in a materialistic society, cannot be satisfied by the standard-bearers of materialism and hedonism. In other words, it cannot be satisfied by the mentality of autonomous man, publicized in his mass media and praised in his secularized intellectual and artistic circles."

Even basic libertarian ideas have become sinister and have been misapplied in this new moral climate. Dr. Brown is particularly distressed by the way that the "freedom of choice" slogan has been used in the abortion controversy.

There are fundamental moral questions about abortion that disturb many people who feel that abortion is the taking of innocent life; but their opposition has been weakened by the slogan "freedom of choice." The same slogan has also been extended, under the concept of "pluralism," to undermine the older American traditions. Dr. Brown shows how a public school teacher can use pluralism as a pretext for teaching Marxism-Leninism in ways that would be strictly forbidden if the subject were Christianity.

As the older traditions and our religious heritage continue to erode, we are also losing the ability to maintain order, without which no society can survive. The only choices remaining are coercion or persuasion. If we go much further down the road of government control, Dr. Brown points out, there will soon be little left that we can recognize as personal freedom. He also argues convincingly throughout the book that the United States faces additional dangers in losing the will and strength to defend itself in a hostile world.

The answer to this general deterioration must be a religious one,

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Dr. Brown insists, and he believes that a restored republic can come only from restored self-consciousness on the part of enough citizens. "Unless the republic is restored," he writes, "it will inevitably turn into a technocratic tyranny more extensive than any the past has known." He says that those who are unwilling to agree to an articulated religious answer to our problem must face with all seriousness the question whether the society that we are building without religion is one that they can endure.

It is not likely that libertarians will agree with all of Dr. Brown's arguments, and this reviewer feels that he occasionally displays self-righteousness and excessive zeal. Many committed Christians of more liberal faiths would agree with his major point that a new religious consciousness is needed, but they would have difficulty joining him in the pews. Perhaps it's not necessary to do this, however, because Dr. Brown does show that our diverse religious backgrounds did produce a shared moral consensus based on biblical values. We may disagree on many matters, but it should not be hard to convince ourselves that we desperately need a new moral consensus—and that the hour for finding it is very late. Dr. Brown's book is highly recommended for those who wish to join the search. ⊕

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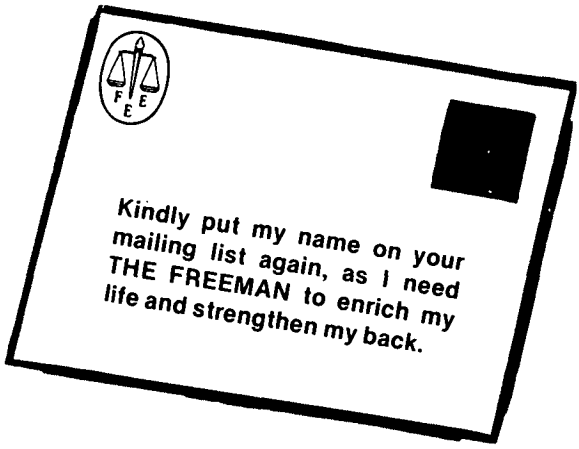

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